UNITED STATES DEPARTMENT OF AGRICULTURE
Office of the Secretary

Washington, June 2, 1948

Statement by Secretary of Agriculture Charles F. Brannan:

Charles F. Brannan took the oath of office as Secretary of Agriculture at 10 o'clock this morning in the Department of Agriculture Administration Building. Justice Wiley Rutledge of the United States Supreme Court administered the oath.

Secretary Brannan issued the following statement:

"The major job of American agriculture, as I see it, is to help build world peace and prosperity. This calls for maintaining a strong, productive agriculture. It is the primary responsibility of the Department of Agriculture to farmers achieve that objective.

"Having helped to formulate and carry out present Department policie. feel that we have been working in the right direction and that my job is to further and if possible to strengthen the work already under way.

"As in the past the Department of Agriculture will cooperate with all groups concerned to keep our agriculture geared to the requirements of American homes and industries, export markets, and the special needs of international economic recovery and aid programs.

"The soil is the foundation of our individual and national life, and I shall do everything in my power, consistent with present-day conditions, to foster soil conservation. My idea of soil conservation includes the proper use and development of all agricultural resources -- land, water, and forests. The Department will cooperate fully with other agencies which have responsibilities in this field.

"Our conservation, price support, and credit measures, together with research and statistical services, add up to the best farm program any nation has yet developed. These measures can now serve as foundation stones for the

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development and effectuation of a long-range policy of 'organized, sustained and realistic abundance,' as recommended by President Truman and former Secretary Anderson.

"We must also push ahead as rapidly as possible with our efforts in the marketing field. As Congress has pointed out, a scientific approach to the problems of distribution is an essential part of our effort to maintain a strong domestic economy.

"I strongly favor the farmer-committee system of administration. The atically elected farmer-committees have given invaluable service to agri- and the entire Nation, and I know they will continue to do so.

"The duties of the Department call for the closest cooperative relationships with Land Grant Colleges, State Departments of Agriculture, and other State agencies, with farm organizations, with cooperatives and other groups representing producers, consumers, and various business interests. It is my intent to maintain and strengthen all such cooperative relationships — in specific ways provided by law and in general ways as well.

"The Department of Agriculture has made an excellent reputation for integrity and business-like administration in its dealings with farmers, businessmen, and others. This reputation is due in a large part to the ability of Department employees, to their devotion to duty, and their willingness to work as a team. With full faith in them, I undertake my new duties confidently."

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U NED STATES DEPARTMENT OF AGRICU RE
Office of the Secretary

POLICY BY DEFAULT?

Talk by Secretary of Agriculture Charles F. Brannan in CBS Talks program over stations associated with the Columbia Broadcasting System, Wednesday, June 9, 1948, 6:15 p.m., EDST.

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Today and every day the future of America is being determined. It is being decided by actions and decisions of individuals; by actions and decisions of government; and by lack of action and decision.

The future of American agriculture is being determined now whether we adopt a long-range agricultural policy or not. The only question is whether we are developing the kind of agriculture we want. And that is a question which concerns all of us, whether we live on the farm or in the city, not only because of our food supplies but also because the condition of our agricultural resources affects the prosperity of all of us.

In my opinion, we have a much better chance to develop the kind of agriculture we want if we agree on objectives and deliberately set out to reach them. In other words, we need a long-range policy and programs to help carry it out. We need to set our course without further delay.

Delay makes policy by default. Congress can declare its policy for agriculture just as clearly by failing to express its policy as it can be a positive declaration. Further delay would clearly say, "It is hereby declared to be the policy of this Congress to do nothing about the future of agriculture. We will drift along and see what happens." That is the meaning of delay. It is a policy decision, and as a result of it policy is set by default.

Although we have the best farm program any nation has ever developed, we need to adapt it to postwar conditions, and to round it out by adding measures now missing. Moreover, some of the most important parts of the present program will actually expire at the end of this year and must have prompt attention.

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We need action not only on domestic problems but on international matters as well, for the American farmer has a tremendous stake in the European Recovery Program, the Reciprocal Trade Agreements, and the International Wheat Agreement.

Probably the best way to indicate the need for action is to give some concrete examples. Let's start with some of the problems confronting the wheat producers.

According to the latest official crop report, wheat growers again have in prospect a crop of well over a billion bushels. This, of course, is far more wheat than the United States can use.

Farmers are producing heavily for export requirements. And yet, even today, with the wheat crop well along, the size of the European Recovery Program and the size of the foreign relief programs have not been determined. This means there are still questions as to how much of the need abroad can be translated into effective demand. Furthermore, the International Wheat Agreement, which would provide a guaranteed minimum market in the years ahead, is still pending in a Senate Committee There are some indications that the wheat agreement has been pigeonholed.

Our wheat growers need the international agreement. They need assurance of a world market. Loss of world markets after the first world war started them downward into the pit of depression. In 1933, 15 years ago, we began negotiating with other countries for an agreement that would assure markets for the United States and other exporting countries and at the same time assure wheat supplies to importing countries.

But at that time nationalism was on the march. High tariffs, import quotas, and embargoes made a wheat agreement impossible. Importing countries tried to become self-sufficient. Exporting countries were buried in surpluses. Production controls became essential.

Eventually, of course, the second world war and its aftermath created a world demand for wheat. Many millions of people were threatened with famine, and they

had to have wheat from the United States and other exporting countries.

Looking ahead, the importing countries saw the need for assured supplies, and the exporting countries saw the need for assured markets. The time was ripe, and in March the representatives of 36 countries completed their work on the International Wheat Agreement. However, the United States can take part in the Agreement only if it is ratified by the Senate.

This may well be a crucial test of American policy. Will we stand before the world as a nation which cooperates with others to maintain world trade? Or will the world see us leading the way back to economic nationalism?

The International Wheat Agreement does not represent an isolated policy question. It is closely related to the European Recovery Program and the extension of authority for Reciprocal Trade Agreements.

The House of Representatives slashed funds for the European Recovery Program, and the future of Reciprocal Trade Agreements is in doubt. The newspapers report that House and Senate are having to compromise in order to extend authority for the trade agreements even one year. We have had 14 years of experience with Reciprocal Trade Agreements -- 14 years in which the agreements have helped industry and agriculture to develop and maintain foreign trade in the face of tremendous obstacles. Why only a one-year extension? Are powerful forces in this country getting ready for a return to Smoot-Hawley tariffs?

Farmers are greatly concerned about these questions. Growers of wheat, cotton, tobacco, and several other commodities must have foreign markets. In the past they have found themselves isolated from their markets. They must not be isolated again.

Farmers who are not producing export crops are equally concerned with world trade. When farm exports drop off, the income of all farmers is affected. And when industrial exports drop off, workers lose their jobs, and farmers lose markets here at home.

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So it is plain that American farmers, like all other citizens, have a direct interest in European recovery, in Reciprocal Agreements to promote trade, and in the market guarantees of the International Wheat Agreement.

But farmers have other pressing problems that call for action. I was using the problems of wheat growers as illustrations. So let us continue with them for a moment.

Wheat farmers have not forgotten the fact that their prices broke sharply last February. The break came during one of the worst periods of world wheat shortage in history. Had it not been for the existence of the price support program, a wave of panic might very well have swept across the country.

Wheat farmers have to make plans seasons in advance. Already, many have had to decide how much land to seed this fall for harvest next summer. Many are growing wheat on marginal land -- soil that could blow away if the weather turns dry. Others are using land for wheat that they would ordinarily prefer to use for other crops.

Thus, the wheat growers have every reason to want prompt, affirmative action on long-range domestic price policy, on soil conservation objectives, and on measures that are important to their markets.

Now, let's take another example of the need for prompt action on long-range policy. Let's look at the dairy situation.

Our milk production is down about 5 percent from last year and even lower compared with the peak reached in 1945.

Feed has been relatively scarce, and meat prices are favorable. The dairyman is constantly making close decisions: Will it pay to keep this cow or that one in the herd to produce milk? Or would it be better to sell her while meat prices are good? How many heifers should be kept for future herd? By the time these heifers are producing a couple of years from now, what will the milk market be?

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Now, it's perfectly clear that we need more milk. In the first place, people want more milk. In families that had about $40 a week in 1941, the average person used more than a thousand pounds of milk during the year. If all of us could have that much, our milk production would have to be 144 billion pounds, compared with about 120 billion last year. Not only do we want more -- we need more in order to improve diets and to assure consumers of reasonable prices. Furthermore, dairying is one of the livestock enterprises that should be encouraged for the benefit of our soil.

This is nothing new to dairymen. And they cannot understand why Congress should hesitate and delay action on policy and programs to encourage dairy production, to help assure the development of the kind of agriculture we need.

The dairyman particularly needs action on measures to maintain a floor under consumption. His product is perishable. It often goes to waste in periods when many people are losing jobs or taking cuts in income. This seems as senseless to the dairyman as it does to consumers. The school lunch program provides a steady market for milk, and it can provide a larger market. But other programs may be necessary if the nation is to maintain a good standard of nutrition and at the same time prevent the waste of its perishable products in periods of business recession.

The problems I have been telling you about will not be news to Congress. Committees of Congress have studied these and many other problems quite thoroughly. The testimony presented by the Department of Agriculture, farm organizations, and many other groups has been printed in several volumes. Bills have been introduced to meet some of the most urgent needs. But the present session is drawing rapidly to a close without action. After the first world war, action was delayed until agriculture suffered a terrible disaster. The whole nation was engulfed. This time we have many protections. We do not anticipate disaster. But why must we wait for problems to become more serious? Why can we not act now to forestall the need for drastic action later?

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President Truman in his special message to Congress on May 14th asked for four kinds of action. First, he recommended flexible price supports on a permanent basis. As you know, our present price supports are quite rigid. This is one of the important factors in the problem of surplus potatoes. This problem has been called to the attention of Congress repeatedly during the last two years. Also, the present price support arrangements are only temporary. If Congress extends the present arrangements for another year, it only postpones the time of decision. We cannot go back to the prewar price supports, and the wartime system should be adapted to new conditions.

The President's second recommendation called for an expansion of our soil conservation program. We must either take agressive steps to protect this basic resource or commit future Americans to poverty and famine. We must either expand our conservation efforts or expect in our own time to suffer the consequences in the form of dust storms, floods of increasing destructive power, and less productive agriculture.

The President recommended, third, that the Congress continue and strengthen programs to assure an adequate consumption of agricultural products. This includes not only the school lunch program and other efforts to maintain good nutrition but also strong measures to encourage foreign trade and build domestic markets.

The President, in his fourth recommendation, dealt with farming as a way of life. Many farm people have special problems in obtaining electricity, health and education facilities, and housing. They have special needs for cooperatives and for crop insurance.

I believe there is no question as to the agricultural policy favored by the American people. We want to follow a policy of abundance -- organized, sustained, and realistic abundance.

Today we have it within our power to follow such a policy. Our whole economy is strong. Our agriculture is strong. We do not have to fight an uphill battle to overcome the havoc of depression. We have only to consolidate our gains and go forward. But if we shilly-shally -- if we hesitate -- if we wait -- we may lose the golden opportunity. We may find ourselves struggling to regain the opportunity we have today. In such an event, the blame would be placed on those who failed to act -- those who had made policy by default, but that would be small consolation to anyone.

How much better it would be to have positive action now!

UNITED STATES DEPARTMENT OF AGRICULTURE
Office of the Secretary

Washington, June 10, 1948

Secretary Brannan Announces July 19-24 as National Home Food Preservation Week:
(For June 12, P.M. Release)

Secretary of Agriculture Charles F. Brannan announced today the designation of the week of July 19 to 24 as National Home Food Preservation Week.

A program of food preservation, whether done at home or in a community canning center, offers the homemaker an opportunity to provide better nutrition to her family, especially to increase consumption of vitamin-rich fruits and vegetables, and, at the same time, to help to reduce living costs and combat inflation. The special week has been designated, according to Department officials, to emphasize the importance to homemakers of planning now to take advantage of the supplies of the various home and commercially produced fruits and vegetables that will be available in seasonal abundance throughout the summer and fall months. Foods in excess of current consumption needs thus may be saved for use next winter by the family itself as well as for use in the local school lunch programs and by charitable institutions.

In announcing the week, Secretary of Agriculture Brannan stated: "Food is still the most important single factor in the fight for world peace. We cannot afford to let the abundances of our farms and gardens be wasted when, with a little planning and a little extra effort, these supplies can be used to maintain the health and vigor of our families and add to the total world food supply."

Unnecessary waste of perishable foods during periods of peak seasonal supply is a never-ending problem, Secretary Brannan emphasized. "Food preservation, by canning, freezing, drying and storing, can act as a kind of inventory control for both the farmer and consumer. It is a means of stretching the abundance of summer over into the winter months when fresh produce is less plentiful and usually higher in price. A well-planned national home food preservation program will provide expanded food markets for commercial producers of fresh fruits and vegetables and better nutrition for consumers."

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UNITED STATES DEPARTMENT OF AGRICULTURE
Office of the Secretary

AN ERA OF GOOD LIVING

Commencement Address by Secretary of Agriculture Charles F. Brannan at Colorado Agricultural College, Fort Collins, Colorado, June 18, 1948, 10 a.m.

(For June 18 p.m. Release)

I have approached this task today with a good deal of humility. It is no small responsibility to come before a graduating class in this year of world turmoil. For the day has long since departed when an acceptable commencement address could be constructed around a few jokes, a half dozen platitudes, and the solemn advice to "work hard and save your money."

You are not going to hear that kind of a talk this morning.

I shall not try to impress upon you young graduates the great responsibility you have to the long line of generations that have preceded you. I shall not plead with you not to let us down. On the contrary, in all humility, I am going to ask you to help us -- up.

We in the United States have at last come within sight of what has been the goal of all the centuries. As we look about us, we see an industrial and agricultural capacity such as we never dreamed of only a decade ago. We see also a determination to live up to our world responsibilities -- and that, too, could hardly have been predicted back in the thirties.

We have at last the capacity and the maturity to reach the plateau of man's eternal striving -- an era of truly good living. It is to the realization of that goal that I ask you to help us -- up.

What do I mean by an era of truly good living?

I can tell you in very few words. I mean -- peace -- in the world. I mean -- prosperity -- and friendship among economic groups here at home. I mean enough food, shelter and clothing, enough education and recreation, enough opportunity and freedom so that the individual can develop in body, in mind, and in spirit, as a human being by his very nature is entitled to develop.

Down the millenia, down the centuries, down the decades of man's history, he has ever driven on toward this goal. In the beginning, it was a question almost exclusively of food. Primitive man hunted in the forests, he fished in the clear streams, he gathered the fruits of the bushes that grew close at hand -- and very seldom did he know for sure where his next day's meals were coming from.

After a long while, he took a step up the ladder of food security. He learned to keep herds of animals -- reindeer, for example, which were a source of milk, meat, and clothing.

And then, only about ten thousand years ago -- and ten thousand years is a mere tick of the clock in the long day of man's history -- primitive man took a seven-league stride up that ladder toward food security.

He learned how to use the land. And that was the beginning of agriculture.

Now permanent towns and villages became readily possible. So, too, states and even nations. Now the emphasis in living could at last begin to shift away to an appreciable extent from the hitherto all-consuming stress upon "what shall we eat."

It was agriculture with its provision for a relatively secure food supply -- with its release of time and energy for the doing of other work -- that was the first essential for the development of those creative and intensive inventions which characterize modern civilization.

And it is still agriculture that is the great essential -- the big question mark that we place back of the words: Can mankind at last cross over the threshhold into an era of truly good living?

To me, it seems that we in the United States stand today on the one-yard line. One strong, continuing effort -- and we're over -- we're in -- we shall have entered upon the era of good living.

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Do you think that I am overly optimistic? When I look across the seas at the scenes of misunderstanding, hate, and strife -- when I look about me here in our own country and see management and labor in heated quarrels, discrimination against races and creeds, poverty and hunger in the midst of plenty -- then I, too, sometimes think I am over-optimistic.

But I have a remedy for that. I come out here to the West. In the West I find the sure cure for the doldrums. Here in the magnificent Rocky Mountain Empire -- the last frontier of the United States -- my confidence returns and I am willing to wager all that is dear to me that we can carry that ball over from the one yard line.

And so I have come here today not to talk about your responsibilities, but about our opportunities.

We who are engaged in some form of agriculture, whether it be in the fields, in the laboratories, the schools, or governmental agencies have a rare opportunity to help bring peace to the world, prosperity and cooperation among groups at home, and a chance for a decent living to all the people of this Nation.

What is the connection between agriculture and peace? The Roman philosopher, Seneca, explained it twenty centuries ago: "A hungry people listens not to reason, nor cares for justice, nor is bent by any prayers."

Last year, the United States sent beyond its shores an immense quantity of food, more than 19 million tons in all. That figure is too big for the mind to grasp. I could illustrate it perhaps by telling you that 19 million tons of food would fill a train of box cars reaching clear across the country, from California to Maine -- we did a lot of that during the war -- but I do not believe that the quantity of food is the important element. The important element is that we have reached down into our plentiful pockets and have shared with the needy.

In that moment -- that moment when we determined to share our food -- American agriculture became the most important element in the preservation of peace.

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Let me amplify that. Before the war, we sent into the world about five percent of all the grain that flowed in international trade. Last year, the total amount in world trade was about the same, but we supplied more than 52 percent of it.

Now, that is a fact of tremendous consequence. We had fought a war, you see, to make the world free. We had won the war -- but in the hour of victory we stood to lose everything because men and women and children -- millions of them -- were hungry. We know from history what men will do when the pangs of hunger become unbearable. In a hungry world, there is no peace -- or at best a peace preserved only by the smashing of fists upon hungry mouths and by the pressure of bayonets against empty stomachs.

That is not the kind of a world Americans bled to save.

And that is why American food has been sent abroad in such tremendous quantity since V-E Day and V-J Day three years ago.

We have learned a great lesson.

We have learned that one nation can not live in plenty, callous to the needs of others that are in grave want, without inciting envy and hatred. We see plainly that unless we use some of our relative abundance to help nations that are down and almost out we are driving a nail into the coffin of peace.

Business-wise, too, we have learned a lesson. In world affairs, as in individual affairs, you must spend money to make money.

Our prosperity can not stand alone. It needs markets abroad -- industrial and agricultural markets. But we can not have markets abroad unless the countries of Western Europe, which have normally taken up to three-fourths of our agricultural exports, are restored to economic health.

And so we have a European Recovery Program.

Of the exports from the United States to Western Europe during the first full year of the program, it is anticipated that more than one-third will be agricultural exports. Agriculture is the starting point of European recovery.

(more) USDA 1264-48-4

Do you see the connection between agriculture and peace?

Let us turn now to the relationship between agriculture and prosperity at home.

For a long time, prior to the 1930's agriculture was the step-child of our economy. I am not exaggerating. When the Nation's leaders gathered to take counsel upon the economic state of the Union, the voice of agriculture was not even a still small voice in the night. The economic discovery that prosperity must be all for one and one for all had not yet made much of an impression upon financial and legislative minds.

We know differently now. We know that business and agriculture go up and down together. We can show the amazing correlations that have existed over the past half century between cash receipts from farm marketings and the earnings of industrial workers -- between the average income of persons engaged in industry and those in agriculture.

Oh, yes, it is easy to prove that neither agriculture nor industry can long be prosperous by itself. Think back to 1932. More than eleven million persons unemployed; and an average per capita net income for the people engaged in farming of something like 20 cents a day. Compare that with last year when we had full employment, 58 million workers, and farm net income reached the all-time record of 18 billion dollars. Surely, God helps those who help themselves. But he who helps another also helps himself.

No one group can be prosperous by itself. That is just common sense, but it took so terribly long to sink in!

The agricultural population comprises about a fifth of all our people. It is the largest occupational segment in the Nation. It is one of the biggest and best markets for the products of American industry.

(more) USDA 1264-48-5

I think the growing realization of the importance of the farm market is the reason why agricultural leaders are being listened to with more respect today than was customary a couple of centuries ago. This is a banknote world.

But whatever the reason, farm leaders, thank heaven are heard today with more respect. And I think the time is ripe for us who are in agriculture to plead for harmony and understanding among all economic groups. There is a job to be done. It is a job that no economic group can do alone, but that all of us assuredly can do if we get together.

We in the Department believe that agriculture's part of the job is the fulfillment of abundance -- organized, sustained, realistic abundance.

Are those merely words? Not on your life! Let me tell you what they mean. By organized, we mean systematic -- united -- all working together in a harmonious program. By sustained, we mean continuous abundance, in good times and bad. We mean the conservation of our land resources so that abundance can be continuous. And by realistic, we mean a practical, down-to-earth program that will take into consideration not only the wants of the people but the capacity of agriculture to produce.

There is need for just that kind of a program. The war has taught us that a big gap exists between the ideal of a good diet for the American people and the realization of that ideal. Why was it that one young man out of four, in the very prime of physical life, was rejected for military service? Part of the answer is in the fact that before the war only about one family in four had a good diet. More than one-third of the people had dangerously poor diets.

The remainder of the people -- about one-half -- met minimum dietary standards but lacked a satisfactory margin of safety above the minimum.

What are we going to do about that? The American people have adopted as a national policy the principle that we cannot allow our land to be endlessly depleted by erosion. Shall we, then, permit part of the strength of our basic resource -- our people -- to be depleted by malnutrition? I can not believe that that is so.

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But we must be realistic. If Americans are to be adequately fed, certain conditions will have to be fulfilled. Farmers must produce the required quantity and quality of food. That is one condition.

Buying power must be sufficient, or supplemental means should be found, so that the people can purchase the food they need for a good diet. That is a second condition.

And finally it is necessary that many more Americans be educated as to the value and the composition of a well-balanced diet.

I know that there are a great many farmers who will say: All this is fine, but where is the market coming from for all that we can produce, once the foreign situation changes? It seems to me that the real question is rather: Can we -- will we -- are we determined to -- see to it that buying power and education are adequate? If we do this, I have no doubt at all but that the job of feeding our own people and supplying a reasonable quantity of agricultural products to other nations would keep American agriculture stepping lively.

We have seen what the people will buy when they have money in their pockets--money to back up their appetite for good nutritious food. We can expect our population to grow for the next quarter century by perhaps a million persons a year. We can be sure that industrial demand for agricultural products can, and probably will, be increased.

All this constitutes a challenge. It is also an opportunity. In a particular way, it is the challenge and the opportunity of you who live here in the Rocky Mountain Empire. For here, I repeat, is in a very real sense, the last great frontier of our Nation. You in the Rocky Mountain Empire have a rendezvous with destiny.

The Nation is growing, but the West is growing faster. From 1900 to 1930 the population of the 17 Western States grew at a rate three times the national average. From 1930 to 1940, the Western rate of growth was twice that of the

entire Nation. Since 1940, the upsurge of the West has continued. Industry has expanded and agriculture has been profitable.

Here in the West are concentrated not only 70 percent of our coal reserves, tremendous deposits of other minerals and remarkable opportunities for the development of hydroelectric power but here also are concentrated the greater portion of the 20 odd million acres of the country's arid lands that can still be irrigated.

Here in the Mountain and Pacific States -- where 70 percent of the crop production already comes from irrigated acres -- is the area wherein most of our further land development is possible. And there is need for development.

Do you young graduates want green pastures in which to test your mettle? They are here -- in the West. Do you want an opportunity to carve out and develop a new empire that will be rich in promise for the whole world? It is knocking at your door. Do you seek a challenge -- the challenge of nature daring you to make a lush land from an arid wilderness? It is here at hand. Do you want to try your skill in any of the diversified fields of agriculture? Virtually all of them are here -- livestock, milk, wool, sugarbeets, fruit, wheat, corn, hay, potatoes, beans, barley.

Agriculture has long been a big business in the West. But it has become a young giant of a business in recent years. Let me use the example of Colorado.

Last year, the farmers of Colorado alone received cash income from farm products exceeding half a billion dollars. Wheat production in Colorado last year was five times as great as it had been in 1939; corn production was double 1939, and so was barley; sugar beets and dry edible beans were up two-thirds; potatoes three-fifths; cattle and hay about one-third.

Year by year, the farmers and ranchers of Colorado are making progress in the attainment of the conveniences of twentieth century living. Thirteen years ago only 11 percent of Colorado farms had electricity. Today the figure is about 70 percent.

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It is a fine record. It is a foretaste of better things to come. And what a good feeling it is to know that you can play a part in bringing this era of better things into being.

To you who are going into the laboratories to do research I want to say that there is no field in the whole of agriculture more important than this. You will be in a position to do tremendous service to others -- perhaps to the entire world. Would you believe it if I told you that it was a test tube in the hand of a Department of Agriculture scientist that made the Panama Canal possible? You know, the French tried to build the Canal and had to give up because of yellow fever. A Department scientist working with cattle proved that cattle tick fever is transmitted by the bite of the fever tick. He didn't know it, but he had struck one of the richest nuggets in medical knowledge. He had exposed the role of insects in disease. Medical science went on to prove that insects transmit such diseases as yellow fever, malaria, and Rocky Mountain spotted fever. Then, it became possible to control yellow fever by wiping out mosquito breeding spots. Then, and only then, was the Canal built. And another Department scientist furnished the basic information for the mosquito eradication campaign.

There are many other instances of agricultural scientists doing their daily job and suddenly discovering that they have struck gold for all humanity. Many were young -- not much older, if any, than some of you.

One was Marion Dorset, who came to work for the Department of Agriculture in 1894. He was 23 years old. Among the big problems of that day was hog cholera. Scientists believed that hog cholera was caused by a bacterium, and they gave Dorset the job of finding a serum that would prevent the disease. After four years Dorset decided, flying in the face of virtually all scientific thought on the subject, that cholera was not caused by bacteria at all.

That took courage. It also took a love of truth.

Another six years or so passed and now Dorset had proof -- proof that hog cholera was caused not by bacteria but by a virus. And then, with the help of his associates, he did find an effective serum, and the method of treatment he developed is still used today. Dorset's discovery was worth millions to American farmers.

Are you tempted to say: "Yes, but these cases were long ago." Then let me give you some very recent examples.

During the war, a young man working in one of the regional laboratories learned how to make a rubber substitute from soybean oil. Today he is head of his division.

Another young scientist -- about 32 -- developed a method of ridding canning peas of nightshade berries. This discovery has been extremely helpful to pea growers of the Northwest area.

Still another young scientist -- not quite 30 -- worked out a method of converting starch in wheat to fermentable sugars without the use of malt extract. This was important during the war because malt extract was scarce.

Some years ago a young scientist, reading about tests on phenothiazine, which was proving only moderately effective as an insecticide, got the idea of trying it out on internal parasites. The result was a new and very effective method of ridding farm animals of a whole multitude of internal parasites.

The scientist never knows when he will strike pay dirt -- or help someone else to strike pay dirt.

But it is only after the scientist has hit pay dirt that some of our problems begin. The college graduate of today must learn not only to apply science but to control it. There are specific examples pertinent to the Rocky Mountain Empire to show you what I mean.

Take sugar beets. A great deal of work is being done on sugar beets right here in Fort Collins. Scientists have developed methods of dividing beet seed into single-germ segments so that we get only single plants rather than several plants

from the same seed. This makes hand thinning unnecessary, eliminating much of the need for seasonal labor. Simultaneously, engineers have perfected mechanical beet harvesters, eliminating more of the need for labor.

Do you see how science can change the picture and raise new problems? I invite you graduates to take hold of problems like that.

Take foot-and-mouth disease. Here is a disease that rages periodically south of the border and that is capable of sweeping like a prairie fire into all of our cattle herds if it is not checked. The government has thrown many scientists into the job of eradicating and quarantining foot-and-mouth disease, but I think it is fair to say that the administrative side of this particular problem, with its international complications, has been as tough as the scientific problem. Controlling this disease, and keeping it controlled, is the type of administrative problem with which I would like to challenge you.

Let me give you one more example -- of a different kind. We have been working for years to create better types of wheat, better wheat land and better yields of wheat. In recent years we have been able to use every bushel of wheat produced by American farms, but we can look ahead and foresee a day when we may have more wheat than we will know what to do with. What shall we do then? Scientists can help by finding new uses, but what we need most of all is leadership and administrative ability to solve the problem of balancing consumption and production over a long period of time.

Our government has been trying for several years to get other nations to draw up an international wheat agreement to stabilize both production and consumption on a world-wide basis. Such an agreement was finally signed last year. It contains good terms for American farmers for five years.

But before the international wheat agreement can be put into operation, it must be approved by Congress. Though we have asked Congress to supply this remaining leadership, it has turned a deaf ear. Unless Congress surprises us at the last

minute, we may have to negotiate the agreement all over again, facing possible failure.

Yes, we need leadership even in controlling abundance.

I have stressed the youth of some of our explorers in science , and I have emphasized certain problems that exist here and now, because I want to wipe out, if I may, any idea that you may encounter after you leave the academic halls that you are too young. There is a vast difference between age and maturity. We become mature when we learn how to live usefully. That can be at 20 -- or 40 -- or 80 -- or never.

Maybe that has been the trouble with past generations -- with my generation. Maybe we have sought in vain for mankind's long desired era of good living, because, for us, age and maturity meant the same thing.

Something certainly has been wrong. Something has been wrong with a world than can sandwich a decade of economic stagnation between the two most horrible blood baths earth has ever seen. Something has been wrong with a generation that can produce and raise to power monsters of men -- men who never became mature. monsters like Hitler.

As I look about, it seems to me that you young people just leaving school all over the land may sometimes see world problems in broader perspective than we who have lived with our noses to those problems. We have learned to adjust. We have learned the so-called wisdom of compromise. We have, in a sense, vested interests in the status quo and in the old-time method of trying to handle those problems.

You, on the contrary, have fresh and vivid in your minds the ideals of youth. You know how to speak the simple language of truth.

Respect for your elders is good. I know that you have it. But nowhere in either the moral law or the Constitution of the United States have I ever been able to find that the right of free speech does not begin until 40 -- or 50 -- or 60.

So if you see things that seem wrong to you -- whether in agricultural policies at home or in the world -- whether in political policies, domestic or international -- in any field whatsoever in which you have some competence -- don't sit in a corner. Get on your feet. Speak up.

You'll be wrong -- very often, you'll be wrong. Older people, too, are sometimes wrong.

You will butt your head against the stone wall of public indifference, and your spirit may be bruised. But you will know that history has good company for you. After all, Thomas Jefferson wrote the Declaration of Independence when he was only 33. It was not very well received by George the Third.

And now to sum up. We stand today upon the threshhold of an age which we hope will go down in history as an era of good living. We hope it will be an era of peace -- of prosperity -- of decent living conditions and freedom for self-development. It may be all of these -- or it may be again, as so many other eras before it, the burial ground of human hopes.

Which is it to be? Man is not given to know what will happen tomorrow. But man is given a mind to plan, and hands to work, and a heart to seek after what is good.

You are about to enter the arena. You come welcomed by those who have entered before you. We do not ask you not to let us down. We ask only that you help us -- up.

USDA 1264-48-13

UNITED STATES DEPARTMENT OF AGRICULTURE
Extension Service

June 22, 1948

Washington, June 22, 1948

Ballot is Privilege of a Democracy, Secretary Brannan
Tells New 4-H Voters:

The youth of America should rededicate itself to democracy by exercising the right to vote and by keeping itself informed on issues and individuals, Charles F. Brannan, Secretary of Agriculture asserted today. Secretary Brannan spoke at the Jefferson Memorial before the 200 youthful delegates to the 18th National 4-H Club Camp at a citizenship ceremony to honor 50 boys and girls of the group who recently reached or are about to reach voting age.

"Citizenship in these United States is one of the most valuable privileges which a man or woman may have. Behind it lies a history and a tradition in which, with due humility, you may be justly proud," Secretary Brannan told the delegates from 47 States and Puerto Rico after the 4-H citizenship pledge had been taken by the new voters.

"You may feel that so far you have had little opportunity to contribute to the workings of this democracy. This is true only in part. For the operations of a democracy go far beyond the voting and office-holding opportunities which come when one reaches his majority. The root of democracy lies in the belief in equality -- in the respect which we have for our fellow man, in the sense of responsibility which each individual holds. Unless we practice democracy in our homes and communities through our every day contacts we cannot hope to find democracy by coming to Washington. Its roots are not here; they are back where you came from; they are everywhere in this broad land of ours.

"We give lip service to the equality of man, but do we really practice it? As long as there are people in this nation who are discriminated against because of religion or race or economic status it is a denial of democracy.....

"Rather than look at the act of voting from the standpoint of what it is accomplishing, I suggest that you look at it this way: When I drop my ballot.....

that is only one of many ways in which I participate in my Goverment. But this one has special significance. This is the outward symbol, of the entire process. This is in a sense a rededication of myself to democracy. And when I cast my ballot I am paying my respects to the thousands who have worked and fought that I may have this opportunity to vote. Furthermore, I am casting this ballot for the millions in other parts of the world who do not have this opportunity and who look to this country as a bright beacon in a dark world.

"Dr. George Gallup said here in Washington recently that a smaller percentage of the adult population in this country voted than in any democratic nation in the world. That is a record in which we should take no pride."

The new voters gave the 4-H citizenship pledge: "We, individually and collectively, pledge our efforts from day to day to fight for the ideals of this Nation. We will never allow tyranny and injustice to become enthroned in this, our country, through indifference to our duties as citizens. We will strive for intellectual honesty and exercise it through our power of franchise. We will obey the laws of our land and endeavor increasingly to quicken the sense of public duty among our fellow men. We will strive for individual improvement and for social betterment. We will devote our talents to the enrichment of our homes and our communities in relation to their material, social, and spiritual needs. We will endeavor to transmit this Nation to posterity not merely as we found it, but freer, happier, and more beautiful than it was transmitted to us."

The new voters are from 27 States and Puerto Rico. Dick T. Brown, Olathe, Colorado, presided. Carol Sirmans, R.D. Nashville, Ga., led the group in the pledge of allegiance. Ramona Jossen, R.D. Ypsilanti, N.D., led the group in the 4-H Club pledge. Miss Iva Mae Gross, assistant State 4-H Club leader, New York State, was in charge of the ceremony. Others who took part in it included Verne Varney, assistant State 4-H Club leader, Wisconsin, and Paul G. Adams, State club leader, Oklahoma. T. Sutton Jett, curator, National Parks Service, talked on "Jefferson the Man."

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UNITED STATES DEPARTMENT OF AGRICULTURE
Office for Food and Feed Conservation

Washington, June 30, 1948

June 30, 1948

Brewers are Released from Grain Conservation Agreement:

The text of a telegram sent today to all members of the brewing industry from the Secretary of Agriculture, Charles F. Brannan, follows:

> "The voluntary grain conservation agreement which the brewing industry made pursuant to Public Law 395, 80th Congress, and which was to become effective June 30, 1948, and the brewers agreement with the Citizens Food Committee dating from last October, are suspended indefinitely.
>
> "Your cooperation with the Government in the grain conservation program is deeply appreciated."

In sending the telegram, the Secretary pointed out that there is a continuing need for food and feed conservation, and appealed to individual industries to practice such measures on their own which will tend to conserve the nation's grain supply. In the case of the brewing industry, the majority of members have been complying with a voluntary grain conservation agreement reached with the Citizens Food Committee last October, and extended, at the request of the Department, from January 31, 1948, through June 30, 1948. In mid-April, the brewers agreed to conform with a new program which was worked out in consultation with the Department, under Section 2 of Public Law 395. They requested that the effective date of the new arrangement be postponed until the intentions of other grain consuming industries were established.

The action taken by the Secretary today was based on the fact that no other grain consuming industries presently are participating in such an agreement, and the Congress did not adopt the recommendations of the President and of this Department to enact legislation to compel grain conservation practices by industries which are unwilling to accept voluntary measures.

3786 USDA 1365-48

UNITED STATES DEPARTMENT OF AGRICULTURE
Office of the Secretary

July, 9, 1948

Washington, July 9, 1948

School Lunch Letter to Governor of Louisiana from Secretary Brannan:

The following is the text of a letter from Secretary of Agriculture Charles F. Brannan on June 28 to Governor Earl K. Long of Louisiana:

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Hon. Earl K. Long
Governor of Louisiana
Baton Rouge, Louisiana

Dear Governor Long:

My attention has been called to the enactment of a law by the Louisiana legislature to strengthen and expand the State's School Lunch and Community Food Preservation Programs.

I wish to take this opportunity to congratulate your State on this action. The appropriation of $4,000,000 for the School Lunch and Commodity Distribution Programs during the next fiscal year and $1,500,000 for Community Food Preservation facilities and training programs is a long step forward. Through this action it will be possible to bring better nutrition to many more children in Louisiana.

In the achievement of a stable agriculture it is difficult to exaggerate the importance of expanding domestic markets for agricultural commodities through programs to improve the nutrition of our people. Abundant production, effectively and efficiently distributed, is one of the pillars of our long-range program for agriculture.

The passage in June 1946 of the National School Lunch Act, which authorized permanent Federal assistance to school lunch programs through grants-in-aid to States, was a milestone in national progress toward this end. The recent action of the Louisiana legislature to provide a substantial supplement to the Federal funds available for school lunches will not only bring the nutritional benefits of the program to more children within your State but will also help to strengthen the market for the produce of our farms in all States in the country.

Congratulations, again, on this forward-looking legislation.

Sincerely,

/s/ Charles F. Brannan
Secretary

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2043

USDA 1432-48

UNITED STATES DEPARTMENT OF AGRICULTURE
Office of the Secretary

Washington, July 9, 1948

Statement on International Wheat Agreement by Secretary Brannan:

Secretary of Agriculture Charles F. Brannan today released the following statement:

As Secretary of Agriculture I feel that I have an obligation to report to the farmers of the United States on the grave significance of the recent announcement made by the International Wheat Council that the proposed International Wheat Agreement will not be put into effect.

The failure was not due to the Wheat Council. The International Wheat Agreement could not be put into effect because the United States Senate failed to act on the question of U. S. participation. It was clearly understood that this nation had to ratify the agreement by July 1. That was written into the agreement. And without the participation of this, the largest wheat exporting nation of the world, there was no prospect of the agreement being put into effect. That, too, was clearly understood.

The agreement was sent to the Senate of the United States on April 30, 1948 for approval as a treaty. It was referred to a sub-committee of the Senate Committee on Foreign Relations for consideration. During the hearings the agreement had the enthusiastic support of all the major farm organizations. It was opposed primarily by the grain trade and milling interests. Following the hearings, the Department of Agriculture was informed on June 9 by Senator Henry Cabot Lodge, Chairman of the sub-committee, to which the matter was referred, that his sub-committee had voted not to take action on the International Wheat Agreement at this Session of Congress. On June 16 I pointed out to him the dire consequences in a letter which read in part as follows:

> I feel that it is my duty to call to your attention the fact that the decision referred to in your letter is equivalent to rejection of the Agreement....

Without the assurances of a multilateral agreement during the coming marketing year, there will be a scramble to tie up the principal markets through bilateral long-term bulk contracts such as that now provisionally in force between the governments of the United Kingdom and Canada. When wheat is again in international surplus supply, these contracts would tend to severely limit the foreign market for U. S. wheat and correspondingly to exaggerate the inevitable problem of adjusting U. S. wheat production downward from the high level to which we raised it in response to the emergency requirements of the war and post-war period. The present wheat agreement is designed as a major step in our preparation for meeting that great problem.

This letter was written after the Departments of Agriculture and State and farm leaders had testified before Senator Lodge's sub-committee in favor of this agreement, and after many informal conferences with Senate leaders. The Senators were fully informed by N. E. Dodd, former Under-Secretary of Agriculture, now Director-General of the Food and Agriculture Organization, as to what failure to act on this agreement would mean to the farmers of the United States.

Thus, knowing that this represented many years of hard work and international negotiation by agricultural leaders of this nation, knowing that it represented the best interests of millions of American farmers, and knowing that it would be extremely difficult if not impossible to get agreement again by the large number of nations involved, the Senate failed to approve the agreement. The agreement was never brought up for a vote in the Senate. Its approval was prevented by the familiar pigeon-hole process. This is an outstanding example of the irresponsibility of Congressional leaders. It is policy making by default. It is a failure to perform clear responsibilities.

Not only did this nation take a leading part in negotiating the Wheat Agreement, it also encouraged the United Nations Food and Agriculture Organization to use the commodity agreement approach as being the most effective method in dealing with the problem of stabilizing world trade in food. The Wheat Agreement was the first of what was hoped to be several commodity agreements covering agricultural products which move in sizable quantity in world trade.

Work leading toward an International Wheat Agreement begain in 1933 with the establishment of the International Wheat Advisory Committee. Since that time, this government has been attempting to work out some agreement whereby we could have a dependable market for our exportable wheat. Many of the importing nations have been interested in securing a dependable source of supply. We all remembered what happened after World War I when some of the nations of Europe, feeling that they had to rely on their own resources, inaugurated a drive toward self-sufficiency in wheat production. That action was costly to the people of Europe in terms of higher prices for their basic food product. It cost the wheat farmers of the United States a sizable part of their foreign market. It was costly to the whole world in that it lead to the construction of trade barriers which were the preamble to World War II.

Immediately after World War I this nation exported large quantities of wheat to help feed a hungry world. In 1921 our exports exceeded 300 million bushels. Then came the drive for self-sufficiency and the trade barriers. In the decade of the 30's our wheat exports averaged less than 50 million bushels, and that level was achieved only with the aid of export subsidies in the latter years of the period. Prices received by our wheat farmers in some areas dropped as low as 30 cents a bushel, and surpluses piled up.

Then came World War II, and the United States emerged as the leading wheat exporting nation of the world. Our contribution to the total world trade in wheat increased from an average of about 7 percent during the 1934-38 period to more than 50 percent in 1946-47. During the wheat marketing year just ended our wheat exports approached the total world trade in wheat in some prewar years. Even after we have adjusted our production to a more desirable pattern we will need a much larger foreign wheat market than we had prior to the war.

The International Wheat Agreement, if put into effect, would have guaranteed us a market in the participating countries of 185 million bushels of wheat during each of the next five years at a fair export price. This, in addition to our exports to occupied zones and other non-participating areas, would have provided as large an export market as we would expect to need. Without the agreement the future of our foreign market is uncertain. Thus we are now faced, for example, with the question of whether we can continue our present high level of wheat production or reduce the wheat production goal for next year.

An effort has been made to keep a council in existence so that discussions of a new agreement may be initiated at some future time if it seems that there are reasonable prospects for negotiating another agreement. We shall do what we can to salvage the wreckage. But unquestionably this will be in an atmosphere less favorable than the one in which the present agreement was negotiated. Without the cooperation of all who are truly concerned with the future welfare of American agriculture, however, it would not be fair to the farmers of the nation to give them any great encouragment.

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USDA 1437-48-4

UNITED STATES DEPARTMENT OF AGRICULTURE
Office of the Secretary

Washington, July 19, 1948

Secretary Brannan Again Urges Fall Pig Increase:

(For Release July 20 A.M.)

Secretary of Agriculture Charles F. Brannan today again urged farmers to increase the Nation's future meat supply by holding back, rather than selling, enough bred sows and gilts now on hand to increase the fall pig crop by at least 10 percent.

Secretary Brannan stated that he strongly believed farmers can now make plans for expanding materially the number of sows they keep for farrowing this fall with increased confidence. He based this belief on, (1) the excellent prospects for 1948 feed crop production, (2) the strong demand for meats probable for next year, and (3) the assurance of continued price support. He also pointed out that since expansion of cattle and sheep numbers requires considerable time, an increase in the fall pig crop now represents the first and most rapid means of increasing the Nation's red meat supply.

Meat supplies per capita in 1948, for the year as a whole, will be about 145 pounds, compared with the record high level of 155 pounds last year and the pre-war 1935-39 average of 126 pounds. Next year, the Secretary said, the supply of meat per capita will be even less than in the present year unless there is a substantial increase in the number of pigs raised this fall. The pig crop report issued June 21 by the Department showed that farmers planned to keep about the same number of sows for this fall's farrowing as in 1947. The 1948 fall pig production goal issued in April by the Department called for an increase of at least 10 percent.

The Secretary emphasized that if July 1 prospects for an all-time record corn crop of 3.3 billion bushels materialize, along with indicated large crops of other feed grains, farmers should have ample feed for expanding hog production. Nationally, a corn crop of 3.3 billion bushels would be 39 percent larger than

last year's crop of 2.4 billion bushels and 18 percent larger than average. Corn crop prospects are particularly good in the heavy hog-producing areas of the Midwest.

Of vital interest to hog producers is the fact that the expected large crop output should make feed supplies available at lower prices later this year and next, the Secretary said. Furthermore, on the basis of the current outlook for meat supplies and consumer demand, it appears likely that prices of livestock will be at levels satisfactory for producers.

Farmers have assurance of the continuation of Government price support through 1949 for most of the major commodities, including hogs, under the terms of recently enacted legislation. The Agricultural Act of 1948 provides that, until January 1, 1950, hog prices are to be supported at 90 percent of the parity prices. This is the same level of support that has been in effect the past several years. Although the announced support level for the hog marketing year fluctuates seasonally, the present annual support level is $16.85 per 100 pounds, Chicago basis. Hog prices in the past two years have been considerably above the announced support levels, and it is expected that this will continue to be the case in the remainder of 1948, and in 1949.

Expansion in the number of fall pigs produced this year would go far in offsetting expected decreases in production of beef, veal, lamb and mutton in 1949. Such an increase, however, would not make more meat available in the late summer and fall of this year, but would mean larger supplies of pork next spring and summer when 1948 fall pigs go to market. Some increase in available meat supplies should result in prices more satisfactory to consumers.

Secretary Brannan reiterated previous Department announcements that no exports of red meat (beef, veal, lamb, mutton and pork) to Europe were contemplated under ECA. He further indicated that export allocations of meats during the past year had been at lower levels and that this policy would continue. The total quantity of meat allocated for export during the first half of 1948 was equivalent to only about one-fourth of one percent of our total meat production during the period.

UNITED STATES DEPARTMENT OF AGRICULTURE
Office of the Secretary

Washington, July 20, 1948

Secretary Brannan Orders Long-Range Land Program for Missouri Basin:

(For Release July 21 P.M.)

Secretary of Agriculture Charles F. Brannan announced today that a long-range multiple-purpose agricultural program for the Missouri River Basin will be developed by the U. S. Department of Agriculture to complement, balance and support the vast engineering program being carried out in the basin under the "Pick-Sloan Plan" by the Corps of Engineers and the Bureau of Reclamation. The Secretary ordered all Department agencies having programs in the nine-State Basin area to jointly work out a unified program under the leadership of his staff. This plan encompasses the survey now being carried out by the Department of Agriculture, and scheduled for completion early next year, under authority of the Flood Control Act of 1936 as amended and supplemented.

The program will be designed to conserve and improve the lands of the Basin; build up and protect the forest resources; protect, enhance, and develop the water resources; enlarge and improve the agriculture of the basin and the Nation by irrigation and drainage; stabilize and improve farm income; reduce flood and sediment damages; enhance recreation and wildlife; and otherwise support, complement, and balance the programs of other agencies.

"Development of the long-range agricultural program will bring agricultural activities in the Missouri Basin abreast of the engineering programs already being carried out under the 'Pick-Sloan Plan'", Secretary Brannan said. Agricultural interests in the Basin have indicated their desire that Federal and State agricultural agencies participate more actively in development plans in the area. "This agricultural program will point the way to developments on the farms, ranges, and forests which the people themselves can put into effect. Such a program is imperative if we are to make wise use of our land resources as the Missouri Basin is developed. The long-range program proposed for agriculture in this area represents an intensification of the programs for agriculture which the Department of Agriculture carries on normally throughout the country. It is essentially an adaptation of the Department's regular work to meet the specific needs of the Missouri Basin."

The Secretary's order for the work emphasized the cooperative nature of the relations with the States and said that "it is intended that the appropriate State organizations be given full opportunity to cooperate in the planning effort."

States which are wholly or in part in the Missouri Basin are: Montana, Wyoming, North Dakota, South Dakota, Nebraska, Kansas, Missouri, Iowa, and Colorado.

Development of the Missouri Basin was authorized by Congress in the Flood Control Act of 1944. The engineering phases of the development worked out by the Corps of Engineers of the Department of the Army and the Reclamation Bureau of the Department of the Interior have become known popularly as the "Pick-Sloan Plan." In addition to the engineering work already under way, Department of Agriculture agencies have been carrying on their programs in the Basin in such a manner as to fit into an integrated development. Coordinated joint action of all interested agencies is obtained through the Missouri River Basin Interagency Committee, composed of representatives of the Department of the Interior, the Corps of Engineers, the Department of Agriculture, the Department of Commerce, the Federal Power Commission, and of the Missouri Basin States. All of the agencies cooperating in the work of this Committee have already drawn up preliminary estimates of work needed in the area during the next six years. These six-year estimates will be revised and extended annually. The long-range agricultural plan will provide a basis for the future six-year estimates of the Department of Agriculture, just as the "Pick-Sloan Plan" now furnishes a basis for the six-year estimates of the Corps of Engineers and the Bureau of Reclamation.

In drawing up the plan, the Department agencies will estimate requirements for agriculture in their respective fields and when these have been drawn up a unified report will be prepared setting out the plan, estimates of its costs, its anticipated physical, economic and social effects, and recommendations.

Agencies of the Department expected to participate in the development of the unified program will include: Forest Service, Soil Conservation Service, Bureau of Agricultural Economics, Production and Marketing Administration, Farmers Home Administration, Farm Credit Administration, Rural Electrification Administration, Agricultural Research Administration, and the Extension Service.

July 21, 1948

UNITED STATES DEPARTMENT OF AGRICULTURE
Office of the Secretary

Washington, July 21, 1948

Text of Letters to Ralph D. Ward and Congressman Hope:

The following is the text of letters sent today by Secretary of Agriculture Charles F. Brannan in response to requests that the U. S. Department of Agriculture terminate programs directed at reduced consumption of bread and bakery products:

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Mr. Ralph D. Ward, Chairman
National Affairs Committee
American Bakers Association
1317 F Street, N. W.
Washington 4, D. C.

Dear Mr. Ward:

This is in reply to your letter of June 24 in which you suggested the termination of a program directed at the reduced consumption of bread and bakery products. This Department has not conducted a program of this nature since the Famine Emergency Program during the world food crisis of 1946.

I assume that you refer to the activities of recent months in connection with the Food and Feed Conservation Program. This program was discontinued July 1 when funds no longer were available. It did not appeal for reduced consumption of bread and bakery products.

The public feeding industry drafted a program designed to reduce waste in public eating places and the Department of Agriculture, as you know, proposed a voluntary agreement to eliminate the wasteful practice of consignment selling of bread, but there was no intention to reduce consumption of bread and bakery products. Actually, the Food and Feed Conservation Program encouraged consumption of these foods in place of more expensive food items. You are, of course, aware that the great bulk of the bakery industry, including almost all of the large companies, turned down the proposal to eliminate consignment selling.

Our near-record crop of wheat in this country, together with improved production in other parts of the world, to which you referred in your letter, should mean that after this harvest the world can cease to be concerned about wheat supplies. However, even with greatly improved crops, indications now are that bread grain production in Europe, excluding the Soviet Union, will still be about 13 percent below the prewar average.

Because in the Department of Agriculture we are equally interested in encouraging the consumption of bread and bakery products along with other healthful foods, I take the liberty of suggesting that you explore the price possibilities in connection with your campaign for increased consumption of these products. The price of bread and bakery products was increased during the last year with the increase in the price of wheat. As you point out, the wheat futures market has been close to support levels for some time. Cash wheat has been about 75 cents below the peak of last winter which should justify a corresponding decrease in the price of bread and bakery products. If it were possible to reduce the price of bread I believe it would help your campaign to increase consumption and, at the same time, would make an important contribution to the nation's effort to stem the inflationary rise in the cost of living.

Sincerely yours,
/s/ Charles F. Brannan
Secretary

2098

USDA 1511-48

Hon. Clifford R. Hope
House of Representatives

Dear Mr. Hope:

This is in reply to your letter of July 2, suggesting termination by the Department of Agriculture of a program to reduce the consumption of cereals, particularly bread and other bakery products.

The Department of Agriculture does not operate nor has this Department had a program that appealed for reduced consumption of bread since the postwar food crises led to the Famine Emergency Program of 1946.

It is possible that you are under the impression that the Food and Feed Conservation Program authorized by Public Law 395 encouraged reduced consumption of bread and bakery products. It did not do so during its existence. Furthermore, this program has been terminated for lack of funds as of June 30, 1948. The Food and Feed Conservation Program as it affected consumption of cereals, bread and bakery products, actually encouraged the consumption of these foods as replacements for the more expensive foods, particularly meat.

Only one phase of the Food and Feed Conservation Program could possibly be construed by anyone as discouraging the use of bread and bakery products. That part of the program effort was specifically authorized by the act itself, and, in carrying out this provision, the Department attempted to induce the major elements of the baking industry of the Nation to discontinue consignment selling. We attempted to get the industry to agree to discontinue consignment selling because we believed it to be wasteful use of cereal products and that its elimination would contribute beneficially to the overall objectives of the Food and Feed Conservation Program; namely, reduce the cost of living and make food available to implement our foreign programs. As you probably are aware, the major sections of the baking industry refused to enter into a voluntary agreement to discontinue consignment selling of bread and bakery products, and, therefore, the program was never put into effect. I am sure it was not the intention of your letter to indicate that the Department of Agriculture should discontinue its interest in abolishing consignment selling even though grain supplies appear to be more plentiful. I am sure that we are capable of finding other solutions to such surplus problems as may appear to be on our threshold than such wasteful devices as consignment selling.

In addition to the conservation of grain through careful storage, insect and rodent eradication, and reduction of losses in the process of production, we also have attempted to help consumers maintain good nutritional and attractive diets in the face of the mounting costs of food. One of the principal devices was a booklet known as "Money-Saving Main Dishes," a copy of which is attached. It was not possible to stop the requests for this booklet as of June 30, when the Food and Feed Conservation Program was discontinued for lack of funds. They are continuing to come in, and we estimate that we now have on hand requests for about 180,000 copies. In my opinion, it is advisable to make a real effort to find among the funds available to the Department of Agriculture a sufficient amount to mail these booklets to those who have requested it. If I am successful in finding the necessary funds, we will mail out the booklets unless you are of the opinion that the use of this booklet is inconsistent with the recommendations of your letter of July 2. I would appreciate your early advice.

Sincerely yours,
(s) Charles F. Brannan
Secretary

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July 22, 1948

UNITED STATES DEPARTMENT OF AGRICULTURE
Office of the Secretary

COTTON MAKES A COMEBACK

Talk by Secretary of Agriculture Charles F. Brannan at the Ninth Annual Cotton Congress, Baker Hotel, Dallas, Texas, July 22, 1948, 11:00 a.m. CST.

(For Release 11 a.m. CST, July 22)

From my office in the Department of Agriculture I can see, across a few hundred yards of lawn, a big gray building with a dome. This is the National Museum. It contains the biggest perfect specimen of a crystal ball in the world.

Sometimes, in recent weeks, when I have asked myself why I was invited to speak to you about the future and the opportunities of cotton, I have thought about that crystal ball. As you know, I am not a cotton expert -- even though I have for a long time been vitally interested in cotton's problems -- even though I try to find out as much as I possibly can about those problems. And I have thought what an advantage it would be if I could look into that crystal ball and see the future of cotton.

But -- at least as far as I am concerned -- the crystal ball in the National Museum is just a very pretty chunk of quartz.

When we stop to think of it, we have something better than a crystal ball. We have, through the Department of Agriculture, access to the most complete cotton facts gathered anywhere in the world.

And so -- even though I am not a cotton man -- I am very glad that you invited me to Dallas. I am glad to have an opportunity to relay to you the thinking of the Department about cotton; an opportunity to become personally more familiar with cotton problems; and, above all, an opportunity to request your cooperation.

For it seems to me that progress in this matter must walk on two legs: Cooperation and knowledge -- or it will not walk at all.

(more)

It seems to me that we shall never get anywhere in the solution of these problems unless we work together and unless we look honestly at the facts.

The first fact that we must honestly face is that, despite all that has been done, we still have not found a permanent solution to cotton's problems. The agricultural programs of the 1930's and 1940's helped to improve the situation of the cotton farmer and clear the decks of surplus cotton that had accumulated over the years. But the causes that brought about the surplus in the first place have not been eliminated.

Let us face facts. Let us admit, that the disparity in the price of cotton here and abroad was partly responsible for the severe loss of foreign markets for American cotton in the period before the war.

The story of what has happened to American cotton from 1920 on is an old story we all know very well. In 1920 American cotton production was about twice as large as total foreign production. In the middle 1930's, foreign production became larger than American production, and the volume of cotton we sold abroad fell to about half the 1920 level. And then when war broke out, the flow of American cotton to foreign mills dwindled until it became a mere trickle.

You know all that. You know some of the causes -- price disparity, the worldwide trend toward nationalism, and the onslaught of world depression. You know the inroads made into markets formerly held almost exclusively by cotton -- inroads by substitute products like rayon, paper, nylon, spun glass, and others.

For a long, long time, the story of American cotton was a story of discouragement.

And then the tide turned. The outlook for cotton brightened. And if I were to sum up in a single sentence the outlines of cotton's future -- based upon world facts and expert opinions -- I would say that the outlook for American cotton in the years immediately ahead is better than it has been for at least two decades.

Many factors have helped bring about this improvement. One fundamental factor was a realistic approach to the question of balancing cotton production with cotton needs. The farmers have been realists in this -- and they deserve credit. Another factor was the increase in domestic consumption of textiles. During the war, cotton exports declined, but domestic use of cotton increased remarkably. The mills did a fine job of stepping up cloth production even with fewer spindles in operation than in peacetime. And the industry deserves credit.

I, for my part, am proud of the Department's record.

During the war, as you know, we did the best we could to keep world markets open through lend-lease. At the close of the war -- in fact even before the shooting stopped -- the Department assumed aggressive leadership in restoring European and Japanese markets for American cotton. Not only did the Department use Commodity Credit Corporation funds; it urged loans by the Export-Import Bank to such countries as China, Finland, Italy,and Czechoslovakia. These nations needed cotton. They got cotton. Through various programs in the three years since the shooting stopped, we have exported more than eight million bales of cotton.

You may be interested in the progress Japan and Germany have made in paying CCC for the cotton which we shipped to them. We shipped more than 180 million dollars worth of cotton to Japan. All but 38 million dollars had already been paid back -- with interest --as of last June 30. We shipped 34 million dollars worth of cotton to Germany. All but 10 million dollars had been repaid -- again with interest -- as of last June 30.

That program was a good, sound business program. The cotton was sold for the full amount. There were no reductions of any sort.

I think one of the most significant achievements during Secretary Anderson's term of office was the use of our entire cotton surplus.

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Think back! On August 1, 1939, government-owned stocks of cotton, including loan cotton, totalled more than eleven and a quarter million bales. Today the Government cotton cupboard is bare.

Each year from 1938 through 1945, our American cotton carryover exceeded ten million bales. Last August, the carryover totalled only two and one-half million bales -- about the minimum necessary to provide essential working stocks. This year's carryover is expected to be somewhat larger -- possibly about three million bales -- what we used to consider a normal carryover in the years before huge cotton surpluses piled up.

That is the record. That is what has been accomplished by working together -- by facing facts -- by vigorous action.

I want to take this opportunity to express my personal gratification to all of you who have helped bring about this remarkable improvement in the position of American cotton.

But if recent years have proved anything, it is that we can not live in isolation. Our cotton situation must be viewed against the backdrop of the world cotton situation. The world today suffers from a great deficit of cotton goods, which grew naturally -- almost inevitably -- out of the war. To wage war armed forces needed cotton goods. Civilians the world over were short of new cotton goods or deprived of them altogether. So long as the war continued, mills on the continent of Europe and in Japan could get little raw cotton to spin.

The first result of this situation was an increase in world stocks of raw cotton. Even though the United States, Brazil, India, China, and Russia took acreage out of cotton and used it to produce food products, the decline in manufacturing demand outstripped the decrease in cotton production.

On July 31, 1945, world carryover of commercial cotton reached the all-time peak of more than twenty-six and one-half million bales.

Since that time, idle cotton spindles have come back into operation. And cotton production instead of climbing back to the prewar average of nearly thirty million bales, dropped to about twenty-one million in 1945 and 1946. Our own crops were small. Conditions elsewhere also helped hold down the world crop. In India and Egypt, it was a dire need for food that caused the Governments to set low limits on cotton acreage and to divert fertilizers to food crops. In China, it was civil war; in the Soviet Union, a lack of manpower on farms. In Brazil there was a succession of bad growing seasons and a resurgent interest in coffee growing. In some countries, other crops became for the time more profitable.

The result of all this has been a decline in carryover by foreign countries from about fifteen and one-half million bales at the end of the war to about 12-1/2 million bales this month. This, however, is still about 40 percent larger than their average prewar carryover. Thus, although stocks in the United States are no longer great, world cotton stocks are ample today. But if the excess of consumption over production should continue, the result could be a shortage of cotton in the not too distant future.

On the other hand, it is becoming apparent that some of the factors that have reduced world cotton production so drastically were temporary factors. This year the world crop has rebounded to more than 25 million bales. In the season about to begin, a further increase is in prospect. With the improvement in the world food situation, some countries are gradually relaxing their restrictions on cotton plantings and are permitting acreage to expand. In India, Pakistan, and Egypt it is expected that this year's crop will be substantially larger. The Soviet Union is at work on a plan to increase production by 1950 to 30 percent over 1946. Iran, a minor exporter in prewar times but a net importer during the war, will emerge this year again an exporter. Our own acreage this year we now know is 10 percent greater than last year. Assuming normal yields, the indicated crop might be between twelve and one-half million and thirteen million bales.

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Mexico expects a 20 percent increase in production this year to a new high of about 600,000 bales. The disturbed state of China may hold the crop in check there for some time, but China is working on a long-term plan which if realized would raise that country to a position second only to the United States as a cotton producer. In Brazil, we are not quite sure at the moment of the immediate course of things, but production there is now so far below the high point that it seems unlikely to go lower. Taking the world altogether, the tide of production seems to be definitely rising. We need to watch these developments carefully as we think of our own future.

Against this rising production of cotton there are still great unfilled needs for cotton goods. Unfortunately, the larger part of this demand is in nations that are distressed and unable to find the wherewithal to pay --such as China, Japan, Korea, Germany, and some of the other countries of Central Europe -- while in countries of this hemisphere and in some parts of Europe the exceptional voids left by the war seem now to be filling up.

What are the implications of that picture? The first implication is simply this: A good future not only for cotton but for all commodities requires the revival of purchasing power in the world. That is why we have embarked upon the European Recovery Program.

As far as American cotton is concerned the European Recovery Program is seeking to pick up where the Department has left off. It is an intermediate step toward what we hope will become free flowing, healthy world trade through usual commercial channels.

The world must be helped back to its feet. Otherwise the dream that agriculture and business cherish for a healthy flow of goods back and forth across the seas will be just a delusion. And unless that dream of trade becomes reality, I very much fear that our dream of world peace can not become reality either.

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I have no hesitation whatsoever in saying to this audience, as I have said to many others: We must support the foreign aid program. We must make it work.

While on the question of foreign aid programs I should like to say a word about the 150-million-dollar revolving fund which has been provided for the Secretary of the Army to use in the occupied areas of Japan, Korea, and Germany.

This fund provides working capital for purchases of cotton, wool, mohair, and flax fibers produced in the United States; for the shipment of these fibers to the occupied areas where they will be processed into finished products; and finally for the sale for export of such quantities of the finished products as are necessary to cover the cost of the raw materials plus a reasonable rate of interest.

I fully appreciate the efforts of Congressman Sam Rayburn in helping to get this legislation passed during the closing hours of the Eightieth Congress. It is an economically sound program. It is needed.

To American cotton farmers, it means the restoration and continuation of foreign markets in Japan and Germany, which before World War II were among the chief foreign buyers of American cotton. It provides a major outlet for short staple cotton, while the finished products compete very little against our own textiles. On this point, it should be noted that representatives of the American cotton textile industry recommended the enactment of the revolving fund. When this program is concluded and the peace treaties are signed, it should be easier to make satisfactory arrangements for the permanent safe-guarding of our cotton and textile production and markets, and thus to retain the friendship and cooperation of these countries that we are now compelled to occupy.

In the meantime, needy people will be clothed and other essential fiber requirements will be met at no expense to the Treasury of the United States.

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The revival of world purchasing power will help lay the foundation for a good future for cotton. But American cotton will still have to prove that in the normal market it can stand off the price and quality competition of foreign cotton and of rayon and paper as well as of other substitute products like nylon, vinyon, aralac, and others.

How good a showing American cotton can make against foreign cotton and against substitute products is for the future to determine. But we need not be passive. We have it in our power to help mold the future -- by our foresight -- by our energetic endeavors -- and by wise legislation.

We know that American housewives, who are, after all, cotton's best customers, like cotton. A recent consumer preference study, for example, indicates not only that women prefer cotton for a wide range of garments and household uses but also why they prefer it. They place a real premium on the fact that cotton fabrics are durable, that they look well after laundering, and that they are easy to wash. But this study also indicated a number of ways in which cotton might be made considerably more attractive, and so raises the question of the need for further research.

I tell you very frankly that when the Research and Marketing Act of 1946 was passed without a dissenting vote in either the House or the Senate, I believed that we were putting on the books one of the most significant pieces of agricultural legislation ever enacted by any Congress. I thought that the cotton people had done a fine job. They assumed the initiative, and later joined with many other groups, in convincing the Congress that cotton and American agriculture generally needed a greatly expanded program of research and marketing services.

Today, I still think you have done a fine job.

I still think that the Act may be one of the most significant agricultural laws ever passed. But I am not sure. I am not sure that the Act will be used to

the full extent. For though the Act provides authority for expanded research, it does not provide the funds to finance such research.

You may recall that the legislation was passed in August 1946. It was not until about a year later that any funds were appropriated -- and then less than half of the amount requested by the budget.

This year the President, on behalf of the Department of Agriculture, requested the Eightieth Congress to provide the full second year's authorization of $19,000,000 for the fiscal year which began the first of this month. The Congress actually appropriated, however, only $13,850,000 -- less than three-fourths of the amount requested and authorized under the Act for the second year.

If we are to have the kind of cotton research and marketing program which I know you people have been working for, it will be necessary to convince the members of each succeeding Federal Congress of the need for adequate funds for the Research and Marketing Act.

As members of one of the advisory committees appointed by Secretary Anderson to help plan work authorized by the Act, some of you present here today assisted in the formulation of the program on cotton and cottonseed which is now under way. You have an important role. We need your help in working out sound projects. We need your support -- united support -- in pushing through to a final conclusion the projects that are decided upon.

I believe you have reason to be pleased with the program of work on cotton and cottonseed which has been started. The program includes work in three broad fields -- utilization, production, and marketing --corresponding with the three sections of the Act. I do not have time to tell you all of the projects that have been approved, but I will mention some that may be of particular interest.

We need more basic information about the characteristics of cotton with a view to processing it into new products. The over-all aim of one project is there-

fore to learn how to make more effective and complete use of the many superior qualities that are inherent in cotton fiber.

We need to develop new and improved cotton products and new chemical and mechanical processing methods. Work is going ahead on that.

We are seeking to determine by actual in-service tests the usefulness to consumers of clothing and household fabrics of different types of fabric construction.

A recent survey indicates that women would be more interested in cotton fabrics if they were more resistant to soiling. A project along this line has been approved.

Another project will seek to improve cotton warp yarns for carpets through selection of cotton varieties with higher fiber strength, through studies of mechanical processing and stretching, and the application of chemicals.

Mechanization is coming in for a big share of research under the Act, particularly the development of machinery suitable for small farms. Among the various phases of this project are attempts to develop uniformly dependable methods and equipment for harvesting cotton -- for defoliating it before harvesting -- for seedbed preparation -- for delinting of cottonseed for planting -- for weed control, and better means of applying insecticides and fungicides. Then there are the problems of ginning mechanically harvested cotton. All this either is being studied, or will be. We are working also with several of the State colleges on the practical economics of mechanization -- on how various projects fit together, on what it costs, on how it pays off.

A project on cotton marketing is under way with the aim of bringing production of various types of cotton more in line with specific requirements of the textile industry.

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And in one of the most important projects of all, commodity specialists have been sent to foreign countries to survey and to stimulate foreign demand for cotton and other products.

In addition to the Research and Marketing Act, we ought to consider what effect the farm bill just passed by the 80th Congress is likely to have upon cotton operations. Under Title I, the mandatory loan for cotton grown in 1949 will be 90 percent of parity as parity is now calculated. However, Title II of the new Act which is to go into effect in 1950 makes two main revisions in the 1938 Triple-A law as it affects cotton. It revises the formula for computing price supports and it revises the level which supplies must attain before cotton marketing quotas can be invoked.

The new Act provides for price support at not less than 75 percent of parity when the supply of cotton is about normal. It will be 90 percent of parity when supplies drop to 70 percent of normal and will be not less than 60 percent of parity when supplies exceed normal by more than 30 percent. For each two points change in the supply percentage, there will be a one point change in the support schedule. The maximum price support, however, would be 90 percent of parity.

This new legislation, it should be noted, does not affect the Government loan rate for the 1948 cotton crop. This will be set at 92½ percent of the July 15 parity price. The loan level for the 1949 crop, however, will be lowered to 90 percent, in line with other "basic" commodities. Beginning with the 1950 crop, the Secretary of Agriculture will support cotton prices at from 60 to 90 percent of parity, according to the formula which I have just explained.

Now if I may sum up, this seems to be the current situation -- so far as we are able to see it now.

American cotton is in good shape -- better than for many years. We have come a long way since 1933. Our carryover is comfortable. Our burdensome surplus cotton is all gone. The world cotton situation, too, has improved since the close

of the war. World carryover is not alarming. The need for textiles is probably at, or close to, an all-time high.

A number of promising research and marketing projects are under way. A new price support bill has just been passed. The European Recovery Program and the 150-million-dollar revolving fund are expected to move a large part of our exportable surplus.

Those aspects of the picture look pretty good.

But this does not mean that it is going to be easy sailing from now on.

I think that the surest way to wake up with a terrific cotton headache some morning is to indulge in that kind of fantasy.

National and international pictures can change almost overnight. We have achieved our present relatively favorable position by being progressive, aggressive, and realistic. It seems to me that this is the formula with which we can safely approach the future.

If we are to be progressive we need the full appropriations authorized and requested under the Research and Marketing Act. Cotton needs parity with its competitors in research and marketing.

If we are to be aggressive we need forward-looking programs. We cannot afford to see such opportunities as the International Wheat Agreement go down the drain of inaction. This agreement would have provided a substantial export market for American wheat producers at a fair price. It might have been the forerunner of greater international cooperation along a broad agricultural front. I was not only sorry -- I was shocked -- to see the hard work done upon the International Wheat Agreement brought to nothing by the failure of the Congress to act this year.

Being realistic we will recognize that if worst comes to worst, cotton producers will still have available the marketing quota machinery provided under the Agricultural Adjustment Act of 1938 as amended, although there is a question

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whether acreage allotments under this Act should not be based on actual needs instead of the 27 million acre limit now provided.

Being realistic demands, also, that we be aware of the change in our export situation.

It is pleasant to think back to exports of raw cotton averaging more than eight million bales a year -- as in the period 1925-29. It is interesting to think back to exports averaging five and a third million bales -- for the period 1935-39. But last year our exports were about three and a half million bales. For the current year, they are expected to be about two million bales.

For the next few years we may be able to maintain a sizable export market largely through assistance programs. What happens after that will depend upon the supply of foreign cotton, the degree to which the synthetic industries have been restored or expanded, the price of American cotton, and the ability of foreign nations to pay for imports from the United States.

They can be large importers only if their over-all levels of production are raised to such a point that they can export -- and in exporting obtain the purchasing power to buy such commodities as cotton.

What I am suggesting is that, for the next few years at least, as it has been in the past few years, the largest market by far for American cotton will be the domestic market. And that is why I am convinced that we are on the right track in putting so much emphasis upon utilization research. In the period 1925-29, the larger portion of American cotton was exported. But in this current year, domestic consumption of our cotton is nearly five times as great as exports.

I am not pessimistic about the future of American cotton provided we work together progressively, aggressively, and realistically. Let us keep ourselves well informed of the progress of economic recovery abroad. Let us assist that recovery. Working together and facing facts, we have embarked upon far-seeing

programs to provide as large a foreign market for our cotton as is economically feasible. We hope that the result of our international actions will be the eventual restoration of flourishing trade throughout the world.

At the same time, it is not safe to put too much dependence upon foreign markets.

Let us realize that, in cotton as in virtually all our production, the biggest and best market is the market provided by 145 million Americans. The outlets for cotton here at home have, by no means, reached their upper limits. Full employment at good wages is the principal foundation for cotton prosperity. With full employment and a rising standard of living -- with a vigorous research and marketing program to develop new and better uses for cotton -- with more efficient production and distribution -- and in addition to all this with sound policies directed toward the expansion of foreign markets, I believe we can face the future squarely and unafraid.

For my part, I pledge all the assistance that lies in my power to help you -- the people whose lives are tied closely to cotton -- to make the future of American cotton a sound, prosperous future. And I ask your help -- your ideas -- your best judgment -- your willing support.

For in those simple things lies the best hope of cotton. And we do not need a crystal ball to realize it.

USDA 1512-48-14

UNITED STATES DEPARTMENT OF AGRICULTURE
Office of the Secretary

Statement by Secretary of Agriculture Charles F. Brannan, Before Senate Committee on Banking and Currency in regard to the President's proposed anti-inflation program, Wednesday, August 4, 1948.

I appreciate the invitation to come before you and discuss the current food price situation, as well as the measures which might best be taken to deal with inflationary pressures.

It seems best to begin with a factual analysis of the basic food and agricultural situation and prospective developments over the year ahead. After summarizing the general food situation, I should like to discuss the meat situation in some detail, for meat is in many ways the key to the inflationary situation as it now exists in the food field. And finally, I want to discuss proposed government actions.

For 1948 we estimate that average per capita food consumption will run about 12 percent above that of the prewar years 1935-39. In 1947 consumption averaged 16 percent above prewar. Increases in average per capita consumption over 1947 are indicated only for a few commodities such as fish and canned fruit juices. These increases are more than offset by expected lower consumption of meat, butter, and some fruits, especially citrus fruit.

Retail food prices in June were running about 10 percent above the average for 1947, and current prospects are for further increases this year. The advance in prices of food at retail is in part a result of the continued rise in consumer incomes but prices of livestock products also reflect reduced output.

For 1949 the best estimate we can now make is that the general level of food consumption in the United States will probably be about the same as in 1948. Adequate supplies of both feed and food grains are in prospect for the coming year. Some increases in fruits and vegetables are likely while some small increase in milk production is also possible.

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Milk output in the first half of 1948 was 4 percent smaller than a year earlier because of fewer cows and unfavorable price relationships between dairy products and feeds. Consumption of fluid milk and cream has been running nearly as large as a year earlier, but the quantity of milk used for manufactured dairy products has been considerably smaller, especially for butter and cheese. Domestic demand for dairy products, both for current use and for storing, has been very strong. As a result, retail prices for milk and dairy products in mid-June were 20 percent higher than a year earlier. These prices are likely to advance seasonally from present levels until the end of the year because of seasonal declines in supplies.

Milk production, by late in 1948 or early in 1949 may be larger than a year earlier; rates of feeding are likely to increase and culling rates may decline. Any increase in milk output in 1949 compared with 1948, however, will be relatively small since the rate of production per cow is now nearly the highest on record, and cow numbers change little from year to year. The number of milk cows on farms now is the smallest since 1939. As a result, with continued strong demand, dairy prices next year might not be greatly different than in 1948.

Consumption of food fats and oils in 1948 is likely to be about the same as in 1947, when the total was 41.7 pounds per person compared with the 1935-39 average of 44.7 pounds. (These figures refer to the actual fat content of these foods.)

If favorable weather continues this summer, total output of cottonseed, soybean, corn, and peanut oils -- the principal oils used for food -- will be larger in the year beginning next October than in 1947-48. This increase probably will more than offset any slight decrease in lard production which might result from the 3 percent reduction in the 1948 spring pig crop. Because of these prospects for a net increase in domestic production of food fats and oils next crop year, it is unlikely that prices of food fats and oils will average much if any higher in the

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12 months beginning next October than in early 1948.

The greatly improved feed situation should also result in larger supplies of chickens by mid-1949 and of eggs and turkeys in the latter part of 1949.

However, meat consumption is likely to average somewhat lower in 1949 than in 1948, perhaps about 140 pounds per person compared with an estimated 145 pounds for the current year. The principal reduction will be in beef; pork supplies should be somewhat larger, although no major increase in pork can be expected before the latter part of 1949, when the influence of larger corn supplies on the pig crop next spring should be felt. And meat prices are likely to average higher next year than this year.

The indicated meat consumption of about 145 pounds per person in 1948 is 10 pounds lower than that consumed in 1947. This consumption is well above the 126 pounds average for the prewar years 1935-39, but we must also consider supplies relative to demand. Average per capita disposable personal income (wages or earnings after allowing for taxes) are today running about 2-1/2 times the average for 1935-39. However, that's an average and while some people are able to bid up the price, there are, as we all know, millions of people who are unable to buy much meat at current high prices.

Meat supplies are expected to continue smaller than a year earlier throughout the remainder of 1948. Consumption in the third quarter is likely to be around 3 pounds lower per person than the 36 pounds consumed in the third quarter of 1947, while consumption in the 4th quarter is expected to be 3 to 4 pounds smaller than the 41 pounds consumed in the last quarter of 1947.

I do not have to tell you that retail prices of most meats were the highest on record in June. It seems likely that prices of meat will increase further through the summer unless some positive action is taken. We certainly cannot safely count on the usual seasonal price decline this fall and early winter.

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We expect supplies of meat in the first half of 1949 to be less than in the same period in 1948 despite the heavy increases in feed grain production which are now in sight. As you perhaps know, the July crop report, which was our first official indication of production for the current year, indicated a corn crop of almost 3 billion, 330 million bushels as compared with the 2 billion, 400 million bushels harvested in 1947. Substantial increases are also indicated for oats and barley and, although the indicated yield of hay is less than in 1947, it is about equal to the 10-year average.

But the first substantial benefits from these increased feed supplies are not likely to be realized for a considerable time. For example, to the extent that farmers feed hogs to heavier weights this coming fall and winter it will mean delay in marketings. The extent to which they increase the number of gilts kept for breeding purposes this fall will be reflected in an actual decrease in the number of hogs coming to market this fall and winter. Also, a recent report indicated that the number of cattle on feed in Iowa on July 1 of this year was 30 percent less than a year ago, while a similar report from Nebraska indicated a decrease of 35 percent in the number on feed. The increased feed supplies will not provide substantial relief in the meat situation before the fall of 1949.

Although total meat production in 1949 is estimated to be about the same as in 1948, per capita consumption will probably be about 5 pounds lower than the estimate for this year. This reduction will be due in part to increased population and in part to the fact that about two pounds of the 1948 consumption was obtained by withdrawal from stocks. Most of the reduction will be in the first two quarters of 1949 with consumption in the last two quarters probably at about the level estimated for this year. Practically all of the meat produced in the United States this year and next will be available for domestic consumption. Exports of meat (including shipments to our territories) in 1948-49 will run only about six-tenths of one percent of total domestic supplies or an estimated 150 million pounds -/ about 100 million pounds less than in 1947-48. None of our domestic supply of meat, except horse

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meat, is included in the European Recovery Program.

Now let us look at our current food situation in relation to our foreign commitments. We have commitments to ship substantial quantities of grain abroad from current crops, including commitments under the European Recovery Program. However, allowing for these big commitments, we still have in sight more grain than we need for consumption and reserves during the next year. July indications were for a corn crop almost 40 percent -- some 930 million bushels -- greater than the crop harvested in 1947. The wheat crop now indicated is second in size only to the record-breaking crop of 1947.

In short, meat supplies, which are the most important single item in the food bill of the average American consumer, will continue tight and we can expect little relief from the price pressures now current until the closing months of 1949.

This brings me to the recommendations contained in the President's message of July 27. As you will recall, the President said:

"I recommend that authority be granted for allocation and inventory control of scarce commodities which basically affect essential industrial production, or the cost of living....

"I recommend that standby authority be granted to ration these few products in short supply which vitally affect the health and welfare of our people. On the basis of present facts, and unless further shortages occur, this authority might not have to be used at all ....

"I recommend that price control be authorized for scarce commodities which basically affect essential industrial production or the cost of living...."

It seems to me that an analysis of the current situation indicates that we should initiate measures immediately to bring meat prices under control and to make meat available to all our people. We are handicapped by the fact that the necessary

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authority to do this was not granted last November, or even last January. You will recall that various officials, including the Secretary of Agriculture, indicated that we needed allocation, rationing and price control authority last November.

I myself appeared before this Committee on January 29 to endorse the so-called "Flanders Bill," which would have provided standby authority to provide for better distribution and which would have allowed us to prepare for the situation with which we are now faced.

At Senator Flanders' request I indicated the circumstances under which controls should be applied to meat, and I said:

> "My answer is that the time is now. The simple reason is the obvious fact that meat already has been priced out of the reach of many of our people. It is already beyond the range of many consumers and millions of people today are finding meat prices an economic burden enforcing on them an extreme form of rationing by price."

I further indicated that in my opinion the trend was certain to be in the direction of higher prices and called specific attention to the fact that it takes time to develop effective measures to stop rising prices and to provide for more equitable distribution. I further outlined the several steps which would be necessary before such measures could be instituted and indicated the difficulties which would have to be overcome.

Although Congress did not provide the measures we recommended, it did pass legislation relating to the problems that were under discussion. We have done the best we could to make that legislation work and also to use the measures that were previously available.

We conducted a full-scale conservation program in an effort to reduce the pressure on prices of scarce commodities. We made every effort to negotiate voluntary industry agreements under Section 2 of Public Law 395. Unfortunately, how-

over, the efforts to negotiate voluntary agreements were uniformly unsuccessful; it was impossible to negotiate a single effective agreement.

That part of the legislation was unworkable.

One of the most important tools that was already available and in use was the production goals program.

You perhaps know about this program. Under it the Department has assisted farmers in increasing or maintaining agricultural production each year since 1941. Each year we establish goals with respect to both the number of pigs produced and the number of cattle and calves slaughtered. In establishing these goals, we are constantly aware of the relation between current slaughter and future supplies, as well as the realistic need for gearing such goals to the feed situation.

Goals for slaughter of cattle and calves were set at 32 million head for 1948, or about 4 million less than actual slaughter in 1947. This decrease in the slaughter goal was necessary to put a brake on further reduction in cattle numbers and thus insure a greater beef production in future years. But even though the slaughter goal was set at a lower figure than for 1947, it also recognized continued high demand for meat. Under the goal, slaughter would cause a further small decrease in the number of cattle on farms.

The goal for the 1948 spring pig crop was slightly smaller than a year earlier because of the reduced feed supplies available. To the surprise of a great many people who expected a substantial decrease, farmers met this goal. The 1948 spring pig crop is now estimated at only 3 percent less than 1947. We think this is a real achievement. The 1948 fall pig crop goal calls for an increase of at least 10 percent in the number of pigs raised over the number raised last fall. Again, there is a question as to whether this fall pig goal will be reached but with the favorable corn crop now in prospect farmers probably can and will substantially increase the number of sows farrowed in the spring of 1949.

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With all these facts in mind, it is my firm belief that the interests of the American people call for measures, not now available, to deal with maldistribution and inflationary pressures.

Measures designed to hold food prices at reasonable levels and provide each person with the opportunity to obtain his equitable portion should, of course, be as simple and as easy and inexpensive to administer as possible.

In my opinion, there is a very direct relationship between the costs of administering such a program as this and the genuine interest and cooperation which the program receives from the public and the segments of business, trade and industry which are involved. If the American people are thoroughly interested in holding prices at reasonable levels and assuring equitable distribution of the limited supply among themselves, and if business, trade and industry cooperate, any reasonably well-conceived program can be effective. On the other hand, if the people do not understand the program or, having understood it, do not approve of it, no program however well-conceived will be successful. In discussing any type of program which the Congress may authorize, we start from that premise.

Obviously, it is impossible for me to lay before you the details of such a program. These would have to be worked out with the aid of advisory committees representing interested groups. I sincerely wish the Flanders Bill or some other legislation had been passed 6 months ago so that detailed plans could have been available today. However, we do have an appropriate starting point in S. 2910 introduced by

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Senator Barkley. It provides for certain immediate actions and for the development of a follow-up program. I want to discuss the immediate actions we contemplate under the bill and also because of the urgency I should like to give you a few opinions as to how the proposed follow-up program might be developed.

Meat is an item which calls for preferred attention. Therefore, let us examine how a measure to halt further price increases of meat and meat products might be applied within the provisions of S. 2910.

The stop-rise price level, as indicated in the bill, would be selected from a price average for a recent week. It is specifically provided that prices so fixed are temporary. An effort would be concurrently initiated

to develop a follow-up program for holding maximum prices to consumers as low as would be reasonable and equitable for producers, processors and the trade. In reaching this decision representatives of all interested groups should be given full opportunity to express their views and participate in the decision.

Our attention should next be occupied with a selection of the point or points in the conduit between producer and consumer for application and enforcement of both the stop-rise order and the adjusted price.

Let us look first at the possibility of applying both the stop-rise and the subsequent mandatory measures at the wholesale stage. In favor of this point is the fact that the number of wholesalers is relatively small, and if the determinations could be made effective at this point, a comparatively small administrative staff would be required. Obviously, both costs and effectiveness would bear a direct relation to the genuineness of the cooperation of the dealers.

To reflect the established wholesale prices for the use of retailers in their transactions with the consuming public, another step would be required. This would be the computation of the reasonable maximum retail price of each meat item based upon the established wholesale price. The services and participation

of representative groups would again be required in this process as in the original wholesale price decision.

Proceeding on the premise that the great majority of American people are vitally interested in controlling inflation on this front, I suggest that these maximum retail price determinations would be guides to consumers rather than regulations. They could be published in the daily press from time to time with sufficient detail to permit the counter transaction in the retail store to be accomplished with full knowledge on both sides. In short, the consumer should be able to inform himself or herself what should be the reasonable price of the meat that he or she sets out to obtain. As maximums only would be determined, there would be opportunity for price competition between merchants below that figure. Consumers and retailers would be responsible in effect for the success of the program.

I would not rule out the possibility of applying the mandatory regulations at the retail stage, either alone or together with the wholesale stage. However, at this time, I am inclined to believe that it would be not only simpler but fully as effective to apply it at the wholesale stage and project that price with reasonable mark-ups to the retail stage by an intensive public information campaign. Some measure might also be necessary at the wholesale stage to insure equitable and normal patterns of distribution throughout the country and among the various classes of retailers.

This suggestion is relatively simple and can be put into effect quickly for the whole country. I believe there would be little difficulty in explaining to the average citizen what benefits there were in it for him and what type of participation would be required of him to make it successful. We in the Department of Agriculture have had much experience with farmer-operated programs, and from that experience we have acquired a great confidence in the ability of our citizens to make the programs they understand and believe in work successfully.

Let me emphasize again: The fact that the people want to stem inflation is our best guarantee that a reasonably simple, effective program can be developed.

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No program can really be enforced if the people object to it, and by the same token no reasonable program can fail when the people want it.

I recognize that the foregoing is only an outline of one possible course. The details remain to be filled in. Neither it nor any other plan will be perfect. But, in my opinion, the plan I have outlined is basically sound. Again, I must express regret that we were denied the authority or opportunity to prepare for the present situation as the President requested last November. By way of example, we could have had some detailed plans and cost estimates of administration for you today. But ther is one thing certain about the costs of administration and that is that it would be only a very small fraction of the $200,000,000 that the inflationary increase in meat prices has cost the American public in the last two months.

In my mind there is no question that the measures I have outlined are worth the cost. I also believe there is a good chance that they will remain effective as long as necessary. However, we know that a small segment of the population will refuse to cooperate voluntarily in any project, and we cannot be absolutely sure in advance what may be the effect of a small degree of noncooperation. We should have some definite plans for an alternative program in case the measures I have outlined do not sufficiently protect the interests of the cooperating majority.

Let me emphasize that I do not think any alternative plan would have to be used in the foreseeable future. However, I would like to tell you what we have been thinking about as a feasible plan. It would be possible to prepare and distribute to consumers a purchase equivalent to be used by him simultaneously with legal tender in the purchase of meat. Let's call it "meat money" for want of a better name at this time. The total amount of such meat money to be issued throughout the nation would be equivalent to the amount of real currency required to purchase at reasonable prices the total national supply of meat available during the period for which the meat money would be valid. The meat money would be distributed in equal amounts to every person.

If I bought $1.00 worth of meat, I would pay not only $1.00 in cash but would also surrender $1.00 in meat money. The same principle underlies this proposal as underlies any inflationary control measure: Namely, that the price problem is caused by an excess of purchasing power over supply, and therefore that the remedy is to bring the demand into a working balance with supply.

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This system would limit the number of dollars available for buying meat and should have the same effect as a corresponding limitation of consumer money income. It would eliminate the need for separate price controls.

No one views with pleasure the idea of having to carry such a thing as meat money around with him. It is an inconvenience. But so is inflation an inconvenience. In fact, it already has an appreciable portion of our people rationed out of the meat market -- price-rationed out of access to a fair share, or perhaps any share, of the available supply of meat.

I think it is potentially of great enough importance to the American people to warrant study and development for use if it appears necessary and advisable as an aid to the proposal I first discussed.

Every time Government efforts in this field are discussed, the talk finally turns to black markets, which we all dislike intensely. It is unfortunately true, of course, that a few people are willing to flout any law, but that does not argue that we should not have laws. We continue to legislate in order to achieve what we deem to be right, and for what we believe will assure the greatest good for the greatest number. Furthermore, I want to point out that conditions relating to possible black market activities are now radically different from those at the time O.P.A. controls were ended. Meat prices are much higher, having more than doubled at retail from June 1946 through June 1948.

The average reported price of meats in the retail markets at the time the black markets were active was a little over 30 cents a pound. Today it is approximately 70 cents. Those are average prices, of course. Prices of the better cuts are much higher. Black markets, like all unlawful enterprises, require very big margins--gains which justify the risk. Let us assume, for example, that black market prices, especially for the better cuts, could well run one-half or more above regular prices. The customers who are able and willing to pay such premiums for meat are far fewer today than in 1946.

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Although it is regrettable that so much time has been lost, we cannot afford to throw up our hands and say it is too late. The American people have too much at stake to take further chances on the inflationary spiral and their food supply.

I believe they have had enough inflation. I believe they have had enough delay. I believe they are ready for action.

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UNITED STATES DEPARTMENT OF AGRICULTURE
Office of the Secretary

Statement by Secretary of Agriculture Charles F. Brannan before the Senate Committee on Banking and Currency in Regard to the Request for Authority to Further Regulate Speculation in Commodities, Contained in the President's Proposed Anti-Inflation Program, Aug. 4, 1948.

Title VI of the Administration's proposed anti-inflation bill would strengthen regulation of speculation on commodity exchanges by amendment of the Commodity Exchange Act to provide authority over margin requirements. The language of this proposal is the same as in Senate Bill 1881 which has been before the Congress since December 16, 1947. The authority respecting margins would cover both the commodities now subject to the act and other agricultural commodities such as sugar, hides, cocoa, and pepper not now subject to the act. To make margin regulation effective with respect to commodities not presently covered by the act, provision is made for necessary record-keeping, inspection of records, and subpena. Protection of margin deposits through required segregation of customers' funds would also be extended to all agricultural commodities traded in for future delivery.

Waves of speculative trading appear suddenly and quickly. In the case of grains, for example, there is no evidence of excessive speculation at the moment. But authority to regulate margins is needed now, if the power is to be available when the occasion demands immediate action. Insurance against a repetition of the speculative boom in cotton in the fall of 1946 and in wheat in the fall of 1947, in the form of standby authority to regulate margins, is highly desirable.

Mass speculation by small traders was an important factor in the rise in grain prices last autumn and the subsequent collapse in prices in February of this year. Wheat prices advanced by nearly $1.00 per bushel in the fall, only to drop back by about the same amount in February. During these movements

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trading activity was at especially high levels and prices fluctuated markedly during daily trading sessions and from one day to another. We believe that such price instability growing out of unrestrained speculation is detrimental in the marketing of agricultural commodities.

We also believe that regulation of margin requirements is an effective means of restraining such speculative activity. Increased margins curb the entrance of speculators with inadequate resources. With prices at high levels, an adequate cushion by way of margins is necessary as a safeguard against forced liquidation which accentuates subsequent price declines.

The necessity for prompt action on margins when a speculative wave begins was well illustrated in the grain markets in late 1947 and early 1948. During that speculative cycle the exchanges delayed action on margins until a large number of poorly-financed speculators had rushed into the markets. The higher margin rates which were finally established early in October 1947 were not retroactive. Consequently these inadequately margined accounts were permitted to remain in the market until forced out during the drastic price decline of February 1948. At that time their forced liquidation contributed to the price collapse with the same force that their frenzied buying had contributed to the price advance in 1947.

It is recognized, of course, that price risks and speculation are inevitable in the ownership and distribution of agricultural products. Our price support programs provide protection against unduly low prices to farmers. Merchants and processors find protection against price changes through futures markets where these facilities are available. Hedging transactions are the means by which merchants and processors are able to pass the risks of price changes on to speculators.

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Purchases and sales of hedgers cannot be perfectly balanced in a market at all times. A reasonable amount of speculative trading, therefore, is needed to facilitate hedging transactions. The larger speculators are curbed by limitations on positions and trading imposed under authority of the Commodity Exchange Act. Such limitations could not be made low enough to affect the trading of small speculators without impairing the hedging facilities of the futures market.

The dangers inherent in inadequate margins are obvious. It is the Department's view that regulation of margin requirements would be an effective means of restraining undue speculative activity.

UNITED STATES DEPARTMENT OF AGRICULTURE
Office of the Secretary

BACKGROUND STATEMENT ON 1949 PRODUCTION GOALS

Excerpts from statement submitted by Secretary of Agriculture Charles F. Brannan in Answer to Questions by Senator Sparkman, Senator McCarthy and others Relative to Production Goals, at Meeting of Senate Banking and Currency Committee, August 4, 1948.

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Ever since the fall of 1941, the U.S. Department of Agriculture has been issuing production goals -- suggestions or recommendations to farmers as to the acres of crops and numbers of livestock which seem advisable. These goals are advisory, not mandatory. They are realistic, they must be to be effective. And they have been used.

Any statement that infers these goals for 1948 or for 1949 were designed to reduce production is erroneous. The opening paragraph of the Goals Handbook for 1948 summarizes the situation succinctly:

> "For still another year farmers are being asked, in the national interest, to plan an all-out production and to postpone a return to a system of farming which puts less strain on the fertility of our soil."

This does not mean we want more of everything. We have been having more than enough potatoes, for example. But we have been needing more feed, more flaxseed. It does not mean that we want farmers to produce pigs without regard to the feed supply. It does not mean that we are interested in encouraging farmers to indefinitely overfarm their soils. Rather, it means that we recommend the use of all farm resources to produce those crops and classes of livestock which are most needed, giving as much attention to conservation as current conditions will allow.

The simplest answer to any questions concerning crop goals is the current estimates -- we have good weather this year and acreages are such that a record crop production, even better than in 1946, is in prospect. That's not scarcity.

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Livestock numbers are down from their record high of a few years ago. But here too we should look at the facts. Livestock numbers outran feed supplies back in 1944. Since then our problem has been feed and, more recently, high prices. Cattlemen, for example, have been marketing more cattle than they have been raising. Partly this was due to the fact that their ranges and pastures were stocked at, or in some cases beyond, their normal carrying capacity. But in considerable part it is now due to the fact that stockmen simply don't know how long today's high prices can last.

Last year's corn crop was about 2.4 billion bushels as compared with 3.25 billion in 1946 and a wartime average of about 3.0 billion. The Department through production goals and every device at its command has urged farmers to keep livestock numbers as high as possible.

This is paying off. The 1948 pig crop, spring and fall combined, should not be much different from the 1947 crop despite the 25 percent reduction in the preceding corn crop. This is a real achievement. Poultry and dairy production is also holding up well, feed supplies and prices considered. And we now have plentiful supplies of feed in prospect for the coming year.

This means that our livestock goals for the coming year can be increased. Farmers will have the feed to raise more pigs, they can again start poultry and dairy production up, and we can continue to urge farmers and ranchers to stabilize or start increasing their numbers of breeding cattle once pork supplies become plentiful enough to take some of the new inflationary pressure off the meat market.

With this introduction, I should now like to turn to some of the leading considerations relating to production goals for the several classes of meat animals and wheat. These are:

Beef Cattle Goals: The goal for beef cattle in 1948, established in the fall of 1947, recommended a total slaughter of 32 million cattle and calves, or a

reduction of 11 percent from the 36 million slaughtered in 1947. The whole purpose of recommending a smaller slaughter was to call the attention of ranchers and farmers to the need for early stabilization of cattle numbers to safeguard the future beef supply of the United States. Total slaughter of cattle and calves in 1947 was the largest of record, about 1-1/2 million more than the goal for that year. Because this slaughter plus death losses exceeded the calf crop in that year, cattle numbers at the beginning of 1948 were down 2.6 million head from a year earlier. This followed substantial reductions in the two preceding years, 1945 and 1946, when numbers declined 4.4 million head as a result of the large slaughter in those years, making a total reduction in three years of 7 million head.

This marked reduction in cattle numbers presented a serious problem in the beef cattle industry, that of the urgent need for halting the downward trend in cattle numbers without unduly shortening the supply of beef in the face of the current unprecedented strong demand.

The beef cattle goals have been set with this twofold problem in mind. A smaller slaughter goal for the current year, if materialized, would halt the decline in numbers quicker, but it also would tend to force meat prices even higher than they are now. This, obviously, would increase inflationary pressures. On the other hand, if producers sought to take full advantage of present high prices by increasing slaughter, the future beef supply would be endangered seriously at the time when population will be larger. The 32-million-head slaughter goal was established with all these factors in mind.

There are, however, indications that 1948 slaughter may total 33 million head, or exceed the goal by more than a million head. If slaughter for the year turns out no greater than the goal, the reduced slaughter would make a significant contribution to halting the declining numbers of cattle and calves in this country.

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The cattle goals are only advisory to the cattlemen of the country. No controls of any kind are used to influence slaughter or numbers in accordance with the goals. They are designed to supply cattlemen with the best information available on all sides of the current and prospective situation and to indicate the recommendations of the Department of Agriculture with respect to breeding herd numbers and slaughter.

In early July 1948, the Department decided to change from a calendar year basis in establishing cattle goals. A twelve-month period beginning with July is a more typical cattle production and feeding year, and a goal based on it will more nearly meet the needs of cattle raisers and feeders in making decisions on breeding, feeding, marketing, and culling. Accordingly, new goals were established and were expressed in terms of (1) a number of breeding animals needed to produce a calf crop in 1949 that would help maintain slaughter in following years as near the current high level as possible, and (2) a slaughter to provide, as far as practicable the beef and veal needed during the 1948-49 year. The slaughter goal for 1948-49 was set at 32 million head, or the same as the slaughter goal for the calendar year 1948, and cattlemen were urged to maintain their breeding herds as near as possible to the current large numbers and to improve the productivity of their herds. Pork supplies cannot be expanded materially until late 1949 when next year's spring pigs begin moving to market in volume. As this increase occurs, the pressure of demand on beef should lessen, and then will be a good time for cattlemen to hold back the animals needed to stabilize and start rebuilding cattle herds, including both dairy and beef stock.

Because hog production in the past three years has been limited by insufficient feed grain supplies, the cattle industry has been called on to furnish a larger than usual proportion of the nation's meat supply in recent years. In doing this, however, it has been using up some of the cattle that would otherwise be

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carried as "warehouse" stock, and to a limited extent has drawn on its "capital plant" by marketing some of the breeding animals that otherwise would be retained. The very high prices received for all classes and grades of cattle, owing to the marked rise in meat prices, undoubtedly encouraged cattlemen to sell their cattle, particularly when there was great uncertainty as to whether these high prices would be long maintained. Most of the reduction in numbers of breeding stock has been in dairy cows, rather than beef cows. This apparently reflects increased production costs in dairying, especially feed costs, in relation to returns and to increased difficulty in obtaining satisfactory dairy labor.

The Department's cattle goal recommended that cattlemen maintain not less than 15.5 million head of beef cows in the breeding herd on January 1, 1949. This would be only about 6 percent less than the record number in 1945, but it would be about 50 percent above the average prewar number. In announcing the goal it was indicated an even larger number than the 15.5 million recommended for January 1, 1949, would be desirable. If slaughter of cows and heifers during the last half of 1948 is small enough to prevent the number of beef cows at the end of the year from declining as low as this number, the primary aim of the beef cattle goal will have been achieved.

Special emphasis was given in the goal announcement to the point that the number of beef cows kept at the end of 1948 should not be less than the announced number. It was also emphasized that special attention should be given to improving the productivity of the breeding herd by rigorous culling of all barren cows, poor breeders, and inferior animals, and disposing of those while prices are high.

If cattlemen follow such a program, it will enable them to obtain a larger calf crop and to produce cattle that will yield more beef per animal and better quality meat. It is by following such practices that the cattle industry will be able to halt the downward trend in production and expand output most quickly.

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Sheep and Lamb Goals: Sheep and lamb numbers have been declining in recent years but throughout the period from 1944 to date the goal statements have recommended a halt in the downward trend of numbers, and the slaughter goals for sheep and lambs for each year were established with this objective in view. In each year to 1947, however, the slaughter realized has exceeded the goal by about 12 to 15 percent. That is, farmers and ranchers have consistently marketed more sheep and lambs than the Department recommended. The downward trend in sheep numbers throughout the war period was evidently due to the competitive advantage of other enterprises, the difficulty of obtaining competent herders, and rising costs in realtion to returns. The Government price support program for wool materially raised wool growers' incomes above those they would have otherwise received but has only slowed down the decline in the number of sheep and lambs, which has now been under way since 1942.

Hog Goals: The 1948 fall pig goal which was announced last spring at about the beginning of the main breeding season for sows farrowing in the fall, urged producers to increase production of fall pigs by at least 10 percent. It requested a minimum of not less than 34.4 million fall pigs, or 3 million more than the total produced in the fall of 1947.

The need for this increase in hog production has been re-emphasized through as many channels as possible since it was first announced. As soon as the Legislation was enacted providing price support for hogs after the end of this year, a special appeal was made urging hog producers to hold back bred sows and gilts from market this summer in order to obtain the increase in fall pigs requested by the goal.

It is necessary to keep in mind the close relationship between corn supplies and hog production. At the beginning of the war there were large supplies of corn and other grains on hand available for increasing the feeding of hogs and other

livestock. These supplies, together with a succession of large corn crops, made possible a tremendous increase in hog production to the high level reached in 1943. But hog production and other livestock feeding outran the feed supplies. By 1944, the large reserves of feed for the most part had been used and since that time hog production has had to stay about in line with the amount of corn produced. Because of this, pig crops in the past four years could not average much above the largest pig crops produced before the war.

Until the end of 1949, the number of hogs available for market will be influenced largely by the short corn crop produced in 1947 and the high corn prices that have prevailed since the spring of that year. However, the large 1948 corn crop now in prospect can be expected to encourage feeding of hogs to exceptionally heavy weights, thereby adding some to market supplies beginning about the middle of this winter. An increase in the number of 1948 fall pigs and in their market weights would also add to the pork supply during the period from April through September next year, although it must be remembered that the fall pig crop runs only about two-thirds as large as the spring crop and that farmers are being asked to increase fall farrowing under rather difficult circumstances.

The large corn crop and lower corn prices now in prospect relative to hog prices this fall and winter should encourage a substantial increase in the breeding for the 1949 spring pig crop, which will be marketed largely from October 1949 through March 1950. When that increase in pork supplies becomes available, it will help to take some of the pressure of the current strong demand for meat off beef. That will help to encourage cattlemen to hold back the cattle and calves needed to stabilize and start rebuilding cattle herds.

Hogs marketed during the middle of this year are coming largely from the 1947 fall pig crop. The Department had urged a 15 percent increase in the sows and gilts kept for fall farrow. However, the unfavorable weather for planting corn in

the spring, the unfavorable growing weather leading to the short corn crop, and the sharply rising prices of corn strongly influenced hog producers so that they increased the 1947 fall pig crop only 3 percent over that produced in the fall of 1946.

In the early fall of 1947 when the goal for this year's -- 1948 -- spring crop was established, many livestock experts expected a sharp decline in the 1948 spring pig crop as compared with 1947. The corn crop was sharply off due to unfavorable weather -- only 2.4 billion bushels as compared with 3.25 billion the preceding year.

In the face of this situation the Department recommended that farmers exert every effort to keep the number of sows farrowed as high as possible, suggesting that, with an average number of pigs saved per sow farrowed, the spring pig crop should run 50 million head or only 6 percent under 1947. Actually, farmers almost exactly met the recommended goal in terms of number of sows farrowed while the number of pigs saved ran high. As a result, this spring's pig crop is now estimated at only 3 percent under the preceding year. This is a real credit to the nation's hog producers and one which indicates that they may well be able to show some increase in this fall's pig crop.

Wheat Goals: The suggested wheat acreage goal for the 1949 harvest is 71.5 million acres. With average weather this should yield a total production of about 1.1 -- to be exact, 1.072 -- billion bushels of wheat. This is the same production as would have resulted with average yields from last year's goals of 75.1 million acres, since some allowance is made for an upward trend in yields. This goal should be sufficient to meet all our normal needs and outstanding commitments, both at home and abroad and at the same time permit some relief for land which has been overworked in the Great Plains. The goals for individual States show that virtually all of the 8 percent (6 million acres) difference between the new goals and this year's

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actual acreage is due to lower goals in the Great Plains area where there are potential dangers of wind erosion and where a larger acreage of summer fallow is recommended.

There is no reason to believe that this wheat acreage goal will affect or is immediately related to livestock production. In any event, farmers are not likely to be too much interested in using wheat for feed during the coming year, even though some off-grade, poor-quality wheat is usually fed, as indicated by the fact that the futures price of next July's wheat is now running somewhere around $2.05 to $2.10 per bushel and for next July's corn around $1.50. The feeding value of the two are about equal per bushel.

As indicated earlier, the suggested wheat acreage goal for 1949 should be sufficient to meet all our domestic needs as well as our foreign commitments. In view of the large wheat crop which we have just finished harvesting and the marked improvement in prospects in many importing countries, especially in Western Europe, it seems possible to begin making some of the adjustments in our wheat acreage which are necessary for the best use of our soil resources. Farmers have forced a number of low-yielding areas into production during the last few years, and adjustments can be made in these areas of low productivity without materially affecting total production. A better balance between soil-conserving and soil-depleting uses will actually assure higher productivity over a period of years. There is also evidence that many dry-land farmers are taking chances by planting each year an increasingly large proportion of the land which they would normally summer fallow. Some of the acres which should be taken out of wheat should go into summer fallow since more acres of summer fallow will mean more wheat in dry years when we will most need it.

I have been glad to supply this information so as to set the record straight in regard to production goals. The Department is continuing to encourage full-scale farm production.

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UNITED STATES DEPARTMENT OF AGRICULTURE
Office of the Secretary

THE FUTURE IS LIMITED BY OURSELVES

Talk by Secretary of Agriculture Charles F. Brannan at Maryland Conservation Field Day, Frederick County, Maryland, August 18, 1948, 12:00 noon, EDT.

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There is a saying, "The future is a world limited only by ourselves." What we see here today gives that saying a new significance.

In this time of world unrest when we in America stand a little doubtfully on the doorsill of what can be a new era of abundance and good living -- we look into the future -- and we wonder. It is obvious that mankind has reached a crucial point on the road to higher civilization -- a point that may well be one of the most critical in all history. For if it is true that today foreshadows tomorrow, then what men do in this generation will largely determine how people live in succeeding generations. We can either help to raise the standards of our entire civilization or we can pave the way for those standards to sink lower than ever before in modern times. This is especially true as regards our use and treatment of natural resources--the basic material foundation upon which our civilization rests.

There are reasons why we should take heart from this demonstration today. Here we see concrete signs of human ability to mold the future. We see a demonstration of what people can do, if they wish, toward determining their own destiny, rather than permitting their destiny to be decided by the actions and the precedents of former generations. That is a good sign. There is another. We see here today a demonstration of the American people's awareness that the land is important and that its conservation is essential to our continued well-being. In

this remaking of a farm in a single day, we see a means of helping to increase the future food supply of this country and the world, and thus of making a more prosperous and a brighter future for ourselves, our children, our children's children, and for all the coming generations of all the peoples of the earth.

I am informed that some 30 different soil and water conservation practices are being installed on this 175 acre farm today; that each of these conservation practices was carefully and scientifically planned, in advance, so that it would fit into a complete and unified farming program -- a modern conservation farming program that will increase the productiveness of the farm and protect the land from further deterioration. This is the kind of land and water conservation that we must practice on all of our productive land; and we cannot wait until the next generation to do it. Our farm, forest, and grazing lands must be managed in accordance with sound conservation principles; they must be so managed if they are to continue to support us.

Of course, we can't remake all the farms of America that need it in one day as we are doing here. It probably would not be economically feasible, even if we had the manpower, equipment, and technical force to do so. But this demonstration of what American skill, ingenuity, and progressiveness can do when a voluntary group of citizens set themselves to do a job is significant.

I hope you all recognize that the U. S. Department of Agriculture is simply one of the many cooperating agencies that are helping to make this demonstration the great success that it is. This project of lifting the face of an entire farm in one day was conceived and planned by the citizens of this community. The Grange, the Farm Bureau, the Chamber of Commerce, the soil conservation district, and numerous other local groups and individuals sponsored and are carrying out the job. The Soil Conservation Service of the Department of Agriculture merely

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furnished, upon request, the technical aid in helping plan the project. The Extension Service, the local county agent, the State Department of Forests and Parks, and many other public agencies also are participating on the same basis.

Thus, we have a project here that is strictly the product of American democracy at work. An informed citizenry is aroused to the need for assuring a more substantial future for themselves, for the Nation, for the world. They are facing forward. They are facing facts.

They are facing the fact that we have been running through our bank account of land and timber resources faster than any other nation ever did before.

As nations go, ours is still a young country. Turn back the pages of history with me and you will see what I mean. A century ago when Brittania ruled the waves, our pioneers were just about to discover gold in California. Much of our territory was still wild and unsettled. The journey from the Mississippi to the Pacific was still a wild adventure beset with danger -- attacks by Indians, robbery by lawless white men, death by drowning in the swollen rivers.

Four hundred years ago, when Spain was dominant in world affairs, white men had not even made a single permanent settlement in this hemisphere.

Nineteen hundred years ago when the Roman Empire had dominion over most of the known world, what Roman so much as thought that such a great continent as ours even existed?

And we can go back farther and farther -- back to the golden age of Greece nearly twenty-five centuries ago -- back still farther to the ancient civilization of China and Egypt -- 4,000 and more years before you or I, or Lincoln, or Jefferson, or Washington walked this earth.

Yes, we are young. But -- rapidly -- we are growing old. We are growing old in the sense that we have lived fast -- that we have drawn wastefully upon

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the heritage of nature. I think it is no exaggeration to say that another century and a half of equal waste of land, water, and timber might mean that we should be unable to feed ourselves adequately. And almost certainly it would mean that we should be unable to use our food and fiber to promote world peace, happiness, and prosperity, as we are using them now.

I am not going to cite a list of figures to prove this point. Just two figures will suffice.

Today, even after the conservation programs of the past 16 years, half the cropland we use is still subject to erosion in some degree.

As for our forests, the rate of saw timber drain is one and a half times the rate of growth.

We have been living off of our reserves of land and forests. We have been living off our capital.

That is what has happened to our land in a century and a half.

Only in comparatively recent years have we begun to face these grim facts. Our national conservation program is less than 20 years old.

We did not really recognize soil erosion as a national problem which must be attacked on a national basis until 1935. It is true that in 1929 the Department of Agriculture set up erosion-control experiment stations in some problem areas. It is true that in 1933, the Soil Erosion Service was established.

But in 1935, under the leadership of President Roosevelt, Congress passed the Soil Conservation Act, which set up the Soil Conservation Service. That, I repeat, was the offical recognition that soil erosion was a problem for the Nation to combat.

From that day to this we have made much progress. In 1936, the Agricultural Conservation Program began. In 1937, the States started to enact their conserva-

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tion district laws, and farmers and ranchers began to set up by vote their own conservation districts; began to plan their own land-use programs; began to receive Federal, State and local aid in carrying out the programs that were especially fitted to their local needs.

Let me give you a brief picture of the strides we have made since 1935.

Today, there are organized about 2,000 soil conservation districts. They include about three-fourths of all the Nation's farms and ranches.

More than a hundred million acres are now under complete soil and water conservation treatment.

About three million farms, including more than 300 million acres, are now carrying out one or more conservation practices under the Agricultural Conservation Program.

With all sincerity I can say that I am proud of the way the Department of Agriculture has marshalled its forces in the fight to save our land. Through the Extension Service, with its specialists and county agents, we are channeling information to the individual farmer. Through the Forest Service, we are protecting our watersheds, and striving to reduce damage from floods. Through the Soil Conservation Service, we offer technical assistance in all the 2,000 conservation districts. Through the Agricultural Conservation Program, we help farmers in every county of the land to apply conservation practices.

We can point to an impressive amount of performance in this past decade and a half.

(more)

The farmers of America working with their Government have built up the land in some areas and slowed the tide of waste in others. The results of this soil conservation work showed up magnificently in the war years. American agriculture produced far more food and fiber in World War Two than in World War One, and it did it with much less waste of the land. For every ten acres of grass and pasture that were plowed up in the first world war period, less than one acre unsuited for cultivation was plowed in World War Two.

That is a noteworthy performance. But when we face the facts, we must still admit that we have only slowed the tide of land depletion. We are still reducing the productivity of far too much land -- far too many forests -- year after year. We dare not rest until we have reversed the tide. And even then we must not rest because the danger to our soil, like the danger to freedom, is eternally present.

Our national population now stands at about 144 million persons. We have an inventory of good cropland, including some land that needs clearing, drainage and other improvements, totaling about 460 million acres. We have in addition some 475 million acres of range and pasture.

That is all there is. Our land resources are underfoot right now. There are in this country no more huge tracts of uncharted land to be explored. The land resources we are now using must support a population which, it is estimated, will reach a peak of somewhere between 165 and 185 million persons in another quarter of a century.

This means that we shall have from two and a half to two and three-quarters acres of good cropland per man, woman, and child in the United States.

Is it enough?

The answer is: Maybe.

It will be enough -- this cropland plus our range and pasture -- if agricultural yields continue a normal increase -- if agricultural efficiency continues to progress. It is enough to give the people of the United States a better diet than

(more) USDA 1724-48-6

they, or any other people, ever had before. But it might not be enough if we permit the erosion and depletion of our acres to change good cropland into fair cropland, and fair cropland into poor cropland -- and thus reduce yields and efficiency. It is true that some land which, in less prosperous times, could not be farmed profitably is being farmed today. It is true that land considered ruined ten years ago, is now growing food. There is a relationship between economics and conservation. But if we allow our land to deteriorate until it costs more and more to grow a crop, we shall then be sounding the death knell of a prosperous agriculture -- and the death knell, too, of our hope for an America in which malnutrition is eliminated.

That is what we see when we look ahead.

But we see something more: We see also duties and responsibilities to mankind outside our borders. Man is his brother's keeper -- and there can be no permanent peace unless the world lives by that principle. Since the war ended, we have demonstrated our acceptance of that principle by shipping mammoth quantities of food to hungry peoples abroad. Under the foreign assistance program, we will continue to ship large quantities of food -- though we believe not as much will be necessary as in the years just concluded. And after the nations of Western Europe are again able to stand on their own feet, we hope to have a mutually profitable trade with them as we had in the past when they took from two-thirds to three-fourths of our total agricultural exports.

But if we are going to help produce the food the world needs for peace -- for happiness -- for health -- we must safeguard our productive resources.

The world situation today demands that we take care of our land and our forests. I am simply drawing upon the lessons of history when I say that our Nation will not long be a world leader if it permits its land and forest resources to deteriorate too far.

All this was in the back of our minds when representatives of the Department

of Agriculture went before a joint committee of the Senate and House last year and presented a program under which the conservation program would be strengthened and quickened. We urged an inventory of the physical land conditions of every farm, because only when we know the exact problems of the individual farm can the most effective measures be employed. We proposed that simple practices which do not require technical assistance should be classified for each area and put into effect-- at once. Thus, we would check some of the annual damage to our acres, until the more complex conservation measures -- some of which we see demonstrated here today-- could be widely applied.

I am sorry to say that the Congress did not act upon this program.

This demonstration here today convinces me that those of you who planned and are executing it have faced the facts and are looking toward the future. And what is just as important, you are using the accumulated knowledge of the science of the land and you are using American efficiency to help solve your problems.

Here is an object lesson in what it means to use our land, our energies, and our research in building an agriculture that can stand the tests of time, whatever these tests may be. The old-style rectangular fields and straight rows upon rolling land are giving place to the more efficient contour planting, to terraces, to strip-cropping. Land that should not be plowed is being seeded to permanent pasture. Woodlands are being reforested. The trees are getting the attention they need. The grounds about the house and farm buildings are being drained and landscaped. The house and buildings are being repaird and painted.

And I see something here that I particularly like. I see the recognition that conservation means more than just land and forest practices. Yes, it means drainage, terracing, strip-cropping, contouring, pasture improvement, liming, and many other practices. But it is larger than these things. It means care of the house and buildings. It means the efficient use of machinery. It means control of insects and diseases. It means good breeding and feeding of livestock. Conser-

vation runs the whole gamut of good farm management.

I am happy to see that fact recognized in your actions today.

There is one more element in this demonstration that has special significance -- working together.

At the present period in world and national affairs, this point somehow strikes me as the most important of all.

We who live in this middle portion of the twentieth century -- with our hopes for atomic energy and our fears of the atomic bomb -- with our yearning for world-wide good will and our distress at the evidences of world distrust -- we have the biggest conservation job that has ever been entrusted to any generation.

We have freedom to conserve. We have human rights to conserve. We have a civilized world to conserve.

In conjunction with right thinking men and women the world over, we can do it. We can do it by facing facts, looking head, applying knowledge and, above all, by working together.

Farmers in this country have now established a worth while tradition of working together. For more than 15 years, they have been solving their problems through joint action, setting up and reaching coordinated goals of production, sharing their knowledge, helping one another increase their efficiency.

Today, in this remaking of a farm, you are demonstrating in a very concrete way the great results that can be achieved by working together. You are setting an example for all economic groups throughout the Nation.

If this spirit of mutual helpfulness can grow, it can color the future of agriculture, of America, and even of the world. For this is the kind of spirit that sows friendship where there was hate, progress where there was retrogression, prosperity where there was depression, and peace where once there was war.

In the realization that this spirit lives among us can it truly be said: "The future is a world limited only by ourselves."

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UNITED STATES DEPARTMENT OF AGRICULTURE
Office of the Secretary

Secretary Brannan Interview, Columbia's Country Journal
CBS, Saturday, August 21, 1948, 2:30 p.m.

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LERCH... We're glad to have with us today the Secretary of Agriculture, Mr. Charles F. Brannan.

The meat problem is in the minds of a great many people these days. and the Secretary of Agriculture is certainly in a position to give us facts that we need to understand the problem. Secretary Brannan, I think most of us have about three questions in our minds: "How did we get into the present meat situation?" -- "How are we going to get out of it?" -- and "What is the Department of Agriculture doing about it?"

SECRETARY... I'll try to answer all three questions, Don, and I'd like to take the last one first.

The Department of Agriculture has been, and is, trying to get the greatest production of meat that can be obtained with available feed supplies. We have been encouraging farmers to produce more feed so as to produce more meat. And with feed supplies short during the past winter and spring, we put on an intensive grain conservation program so as to keep as much grain as possible available for feeding.

On the recommendation of the Department, farmers have continued all-out efforts in crop production. Last year the weather didn't cooperate too well, but this year we have in prospect in all-time record production of corn and a wheat crop that is second by only a little bit to the biggest wheat crop in our history. The crops of oats, barley, and grain sorghums are also good. And our oilseed crops are bigger, which mean more oilseed cake and meal for feed.

To understand the current meat situation, you need to remember the size of the corn crop that was harvested last fall. It was smaller than the previous crop by 25 percent. Many people thought this would automatically mean a heavy cut in the number of pigs farrowed last spring. They thought we were unreasonably optimistic when we set a goal asking farmers to raise almost as many pigs as they had the previous spring.

But farmers met the goal, and that was a real achievement. Our goal for the fall pig crop is 10 percent larger than for last fall.

In beef we were up against a somewhat different situation. High prices are causing producers to sell cattle faster than they replace them. During 1945, '46, and '47, cattle numbers came down by 7 million head. This over-marketing to meet immediate demand has created a real problem. Slaughter of smaller numbers of cattle and calves would mean less beef on the market and higher prices now. Slaughter of more animals would further reduce future supplies. We have had to choose between what we want now and what we want in the future. What the Department recommended was a realistic compromise. Our current slaughter goal is 32 million cattle and calves for the twelve months ending next June. That's 11 percent less than in 1947 but the most we can possibly slaughter without substantially reducing cattle numbers and future beef supplies.

I could go on, Don, but in brief that's the story of what the Department of Agriculture has been and is doing about the meat situation. We've been striving for more adequate feed supplies, hog production as large as feed supplies will support, and beef slaughter as large as possible without resulting in a future beef famine.

(more)

LERCH... That brings us, then, to the question of how we got into this tight situation in meat. I believe, Secretary Brannan, that you've already given part of the answer to that.

SECRETARY... Yes, I mentioned bad weather, which cut feed supplies, and heavy demand for meat, and those two factors are main parts of the answer.

However, the weather that cut last year's corn crop was only the climax in our struggle to maintain adequate feed supplies. Back in 1944, livestock numbers outran feed supplies, and we've been pinched somewhat ever since.

However, we have continued to eat much more meat and other livestock products than before the war. Last year our meat consumption per person was 16 percent above the prewar average. And this year it is running about 12 percent above prewar. The difficulty is that even this increased consumption is not as great as our increased demand. We have a third more people at work now than in 1939. Per capita income available for spending is 2-1/2 times the prewar average. And meat has been one of the main items that people have wanted to spend their money for.

In the face of increasing demand and short feed supplies, price controls were removed, we got a poor corn crop in 1947, and the result is the present situation: Rising meat prices, supplies about 10 pounds a person smaller than last year on the average, and supplies not evenly spread through the year.

Now, Don, that takes us to your last question — if you'll state it again.

LERCH... That's the question of where we go from here — how and when we can get an improvement in the meat situation.

(more)

SECRETARY... It looks as if we'll have to get along without substantial relief for about a year -- that is, until the fall of 1949. That's about as soon as we can start eating this year's big corn crop in the form of meat. In fact, it looks now as if we'll have about five pounds apiece less meat next year, compared with this year, even after allowing for heavier feeding from the new corn crop. If income stays up, demand will stay up, and prices could further increase. By a year from this fall, we should begin to see daylight. This year's large grain crops will have been converted into expanded production of eggs, poultry, and pork, and this will relieve some of the pressure on beef.

The big question is: How much farther will inflation go in the meantime? And what will be the result? In June and July alone, inflation in meat prices cost the people of this country at least 200 million dollars.

It is my firm conviction that Congress should have granted authority to stop the rise of meat prices and thus protect the country against the inflationary pressures that are fed by the meat shortage. From the beginning of the special session of Congress, I was prepared and standing by to testify on ways and means of stopping the rise. The House Committee did not call upon me at all, and the Senate Committee did not call me until after the majority leadership had publicly announced that there would be no price control legislation.

In my opinion, Congress should have granted authority for the simple but definite program that was presented.

However, it did not see fit to do so. And that's that.

LERCH... (Closing)

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UNITED STATES DEPARTMENT OF AGRICULTURE
Office of the Secretary

Sept. 9, 1948

PUTTING THE "BEE" ON SOIL EROSION

Talk by Secretary of Agriculture Charles F. Brannan at the ~~All-Iowa~~ Soil Conservation Field Day near Osceola, Iowa, Thursday, Sept. 9, 1948.

(FOR RELEASE UPON DELIVERY)

It's good to be in Iowa today. For me, it would be enough of a treat just to see your corn crop. It's wonderful. This is truly the State where the tall corn grows tall corn yields, and where short corn is meant to be that way.

But I didn't come just to feast my eyes on your corn crop. I was told that you were going to put the "bee" on soil erosion. They told me you were going to put on a real Conservation Bee, and I decided that would be worth flying a few hundred miles to see.

Now that I'm here, I see this event is officially called the All-Iowa Soil Conservation Field Day. But I'm going to call it a Conservation Bee just the same. I like the idea. American farm life grew up on husking bees and barn-raisings and similar forms of community cooperation. And I'm glad the same principle is being applied to one of the greatest problems of our times--the problem of soil conservation.

We need the old cooperative, pioneering spirit in modern form to meet this problem--in a community, in a State, in the whole Nation. We need the kind of awareness, understanding, determination, and good hard work that are represented in this demonstration.

Many different soil and water conservation practices are being installed on Ben Cole's farm today. Each of these conservation practices was carefully and scientifically planned so that it would fit into a complete and unified farming program--a modern conservation farming program that will increase the productiveness of the farm and protect the land from further deterioration. This is the kind of land and water conservation that we must practice on all of our productive land,

and we cannot wait until the next generation to do it.

We can't remake in a single day all the farms of America that need it. It probably would not be economically practical, even if we had the manpower, equipment, and technical force to do so. But this is a demonstration of what American skill, ingenuity, and progressiveness can do when a group of citizens volunteer to do a job.

The U. S. Department of Agriculture is but one of the many cooperating agencies that are helping to make this demonstration a great success. To me, it's important that this project of lifting the face of an entire farm in one day was conceived and planned by the citizens of your community. The Farm Bureau, the Chamber of Commerce, the soil conservation district, and numerous other local groups and individuals sponsored and are carrying out the job. We should recognize too, that the event has had the very able assistance of your great Iowa newspapers, "The Register and Tribune" and "The Iowa Farm and Home Register," and you can be sure that their able farm editor, Jim Russell, has contributed to the demonstration.

The Soil Conservation Service of the Department of Agriculture furnished, upon request, the technical aid in planning the project. The Extension Service with its county agents, and other public agencies are participating on the same basis.

This project, then, is also a field demonstration of American democracy at work.

Let us have more conservation bees in every State. It would be irrefutable testimony that our farmers and their neighbors are not sleeping on our heritage.

We must face the fact that we have been exhausting our land and timber resources faster than any nation ever did before.

As nations go, ours is still a young country. But we are growing old much too rapidly. We have lived fast and we have drawn wastefully upon the heritage of nature. It is no exaggeration to say that another century and a half of equal

waste of land, water, and timber might mean that we should be unable to feed ourselves adequately. Almost certainly it would mean that we should be unable to use our farm products to promote world peace, happiness, and prosperity, as we are using them now.

There is no need to list an array of statistics to prove this point. Just two figures will suffice.

Today, half the cropland we use is still subject to erosion in some degree, even after the conservation programs of the past sixteen years.

As for our forests, we are cutting saw timber one and a half times its rate of growth.

We have been eating into our reserves of land and forests. We have been living off our capital.

This has happened to our land in a century and a half.

But in comparatively recent years we have recognized these grim facts. Our national conservation program is less than twenty years old. We did not really recognize soil erosion as a national problem that must be attacked on a national basis until 1935. In that year, under the leadership of President Roosevelt, Congress passed the Soil Conservation Act, which set up the Soil Conservation Service. That, I repeat, was the official recognition that soil conservation is a continuing struggle for national safety and security. It has become a struggle in which our national energies have been dedicated.

We have pushed forward from that day to this. In 1936, the Agricultural Conservation Program began. In 1937, the States started to enact their conservation district laws, and farmers and ranchers began to set up by vote their own conservation districts; began to plan their own land-use programs; began to receive Federal, State, and local aid in carrying out the programs that were especially fitted to their local needs.

Here is a brief picture of the progress we have made since 1935.

About two thousand soil conservation districts have been organized. They contain about three-fourths of all the Nation's farms and ranches.

Complete soil and water conservation treatment is being applied to more than a hundred million acres.

About three million farms, more than half the farms in the Nation, are now carrying out at least one conservation practice under the Agricultural Conservation Program.

With all sincerity we can say that we are proud of the way the Department of Agriculture has advanced its fight to save our land. Through the Extension Service, with its specialists and county agents, we are carrying information to the individual farmer. Through the Forest Service, we are protecting large areas of timber and watersheds, and striving to reduce damage from floods. Through the Soil Conservation Service, we offer technical assistance in the conservation districts. Through the Agricultural Conservation Program, we help farmers in every county of the land to apply conservation practices.

Here in Iowa you have made great strides forward.

Here's your score sheet:

You have organized about ninety conservation districts containing more than thirty million acres and about 200 thousand farms. In fact, nine out of every ten Iowa farms are located in conservation districts. This, you can see, surpasses the national average, and I commend you highly for that achievement.

The Soil Conservation Service has aided in preparing conservation plans for nearly three million acres of Iowa land since 1935.

The Agricultural Conservation Program has assisted farmers in financing various conservation projects on nearly 160 thousand farms in this State at the last count. The twenty million acres these farms contain runs close to 80 percent of Iowa's cropland. This, by the way, tells part of the story of this year's

corn crop and the estimated Iowa yield of sixty bushels to the acre.

The performance record in conservation in this past decade and a half is impressive. But it is only the beginning. There is still more to be done.

But, even so, the results of this soil conservation work showed up magnificently in the war years. American agriculture produced far more food and fiber in the first world war than in the second world war -- with much less waste of the land.

When we see the facts clearly, however, we must still admit that we have only slowed the tide of land depletion. We are still reducing the productivity of far too much farm land and far too many forests year after year. We can not rest until we have reversed the tide. And even then we should not rest. The danger to our soil, like the danger to freedom, is eternally present.

Our inventory of good cropland, including some acreages that need clearing, drainage, and other improvements, adds up to about 460 million acres. We have in addition some 475 million acres of range and pasture. This is what we have to feed, clothe, and shelter 144 million people here in the United States and meet relatively heavy export requirements.

And this is all there is. Our land resources are underfoot right now. This country does not possess any huge tracts of uncharted land waiting to be explored. The land resources we are now using must support a population which, it is estimated, will reach a peak of somehwere between 165 and 185 million persons in another quarter of a century. This means that we shall have from two and a half to two and three-quarters acres of good cropland per man, woman, and child in the United States.

Will we have enough? The answer is: Maybe.

If agricultural yields continue a normal increase and if agricultural efficiency continues to progress, it will be enough. It could be enough to give the people of the United States a better diet than they, or any other people,

ever had before. But it might not be enough if we permit washing, water losses, and bad cropping practices to change good cropland into fair cropland, and fair cropland into poor cropland.

The world situation today demands that we take care of our land and our forests. The lessons of history say that our Nation will not long be a world leader if it permits its land and forest resources to deteriorate too far.

It was in recognition of these facts that representatives of the Department of Agriculture presented to Congress last year a program under which conservation would be strengthened and quickened. We urged an inventory of the physical land conditions of every farm. Only when we know the exact problems of the individual farm can the most effective measures be employed. We proposed that simple practices which do not require technical assistance should be classified for each area and put into effect at once. Thus, we would check some of the annual damage to our acres, until more complex conservation measures -- some of which we see demonstrated here today -- could be widely applied. I hope that Congress will give us that program.

Those of you who planned and are executing this demonstration have faced the facts and are looking toward the future. And what is just as important, you are using the accumulated knowledge of the science of the land and you are using American efficiency to help solve your problems.

Here is an object lesson in what it means to use our land, our energies, and our research in building an agriculture that can stand the tests of time, whatever those tests may be. Rectangular fields and straight rows upon rolling land are giving place to the more efficient contour planting, to terraces, to strip-cropping. Land that should not be plowed is being seeded to permanent pasture. Woodlands are being reforested. The trees are getting the attention they need.

(more)

But there is one element in this demonstration that needs special emphasis-working together. Today, in this remaking of a farm, you are demonstrating in a concrete way the great results to be achieved by cooperative action. You are setting an example for all economic groups throughout the Nation.

This spirit of mutual helpfulness can enhance the future of agriculture, of America, and even of the world. This is the spirit that led our pioneer forefathers to organize their community building bees -- to give a hand when a hand was needed. If our earlier history means anything at all, it means that this is the spirit that will sow friendship where there was hate, stimulate progress where there was retrogression, create prosperity where there was depression, and make peace where once there was war.

UNITED STATES DEPARTMENT OF AGRICULTURE
Office of the Secretary

A FAST-MOVING WORLD

Talk by Secretary of Agriculture Charles F. Brannan at testimonial dinner for Albert J. Loveland, Ft. Des Moines Hotel, Des Moines, Iowa, September 9, 1948.

(For September 9, 7 p.m., CST Release)

"No treasure may be compared unto a faithful friend."

We who are here tonight have gathered in living proof of that old saying. We are here to honor our friend -- and a friend of agriculture.

Al Loveland typifies the qualities that have made American agriculture the great force for peace -- for prosperity -- for good living -- that it is today.

You know, it has been said that the world is full of willing people; some are willing to work, the rest are willing to let them. With Al, work is as much a part of him as his right arm. And that is true of American agriculture in general. We saw it during the war. We saw a truly amazing capacity to get the job done -- the job of growing food and fiber -- for freedom.

There is perseverance in Al -- just as there is perseverance in American agriculture. Along with millions of other farmers, he was nearly squeezed out in the depression. Ten cent corn and three cent hogs made it might tough to live -- much less pay taxes and interest on a mortgage. But he hung on. He was living up to his name. He loved the land -- and he persevered until the Triple-A came along and put a foundation under farm prices -- a foundation that saved the necks of a lot of you farmers in this hall -- and all over Iowa -- and all over the whole country.

Al typifies progress. He started out in 1914 with a small inheritance from his grandfather -- that and fifty dollars borrowed from the bank. Today he operates a 256 acre farm of which he owns 176 acres. He milks 20 to 30 cows and raised 150 to 200 hogs a year. He grows a lot of corn and oats and, like the good

conservationist he is, he keeps a lot of land in alfalfa, brome grass and pasture.

That's progress. But note this! The farm that Al was born on 55 years ago is the farm he now owns. That's progress and stability.

Down in Washington we know Al Loveland for his tremendous sense of responsibility. For 18 years he has been a member of the school board in his county -- half that time he's been president of the board. In 1935, he began to serve as a township Triple-A committeeman. Two years later he was elected a member of his county committee. Another two years and he became a State Triple-A fieldman. Again two years, and we find him chairman of the State Triple-A Committee. Al is, therefore, a product of the democratically elected farmer-committee system -- a system whose significance and importance to agriculture will, I believe, some day rank with the invention of the reaper or the cotton gin.

For about six years after that he was too busy on the farm firing line -- too busy producing food -- to take on a new desk job. But last December we prevailed on him to accept appointment as Director of the Agricultural Conservation Programs Branch of the Production and Marketing Administration. Today, he is Under Secretary of Agriculture.

The significant thing is that he never sought any of these jobs. His neighbors -- people who knew him -- picked him out -- urged him -- elected him -- and his sense of responsibility has never let him refuse to serve.

I could go on for a long time talking about the new Under Secretary. But I can tell from the looks he is giving me that he thinks this speech would be much more palatable if it were relieved by a few brilliant flashes of silence -- as far as he is concerned. So, I'm going to let him off the hook.

I did not come here tonight to make a political speech, I did come, however, to talk about politics -- politics in the broad sense -- the science of government. As a government official, this is not only my right; it is my solemn duty.

(more)

When I came into this great State about three months ago, I saw something that led me to speak on the topic: "America, Unlimited." What I saw here made me realize anew that when Americans from all walks of life get together -- work together -- face facts together -- apply their accumulated knowledge together -- they have potentialities to do just about anything they set their minds to. They can make over a farm from sun-up to sun-down. Many of us saw them do it here in Iowa today.

They can fight global wars -- and when the shooting stops, they can feed hungry people at opposite ends of the earth to preserve global peace. They can meet any emergency, and need. And that is why, in far-flung parts of the world today, millions of people thank God for the United States of America.

With an almost pathetic belief, they believe in us -- in our power -- our generosity -- our good will -- our fair play. They look to us to lead the world out of the dark night of insecurity which now covers it, into the bright day of peace. They have seen the might of America. They have seen the mercy of America.

But have they seen also the Achilles' heel of America.

We do have an Achilles' heel -- make no mistake about it.

Our Achilles' heel is what might be called an excess of optimism. It is a belief that there's plenty of time -- that national and world events move slowly -- that if we make a blunder now, we can rectify it tomorrow. It is an attitude of "why bother?" "Let George do it?" "I'm too busy." "It's no concern of mine."

It is the illusion that history travels at snail's pace.

This is similar to the illusion one may have as he stands at a window in his home looking out across the fields. The very atmosphere seems to breathe of quiet. The earth -- the universe -- seem at rest.

But actually, the earth is spinning about on its axis -- a thousand miles an hour at the equator. It is rushing in its orbit about the sun at a speed of 18

and a half miles per second. And the whole solar system is also believed to be dashing through space at fantastic speed.

History, too, in recent years particularly has traveled with the speed of a comet. Look about you. Look at your farms -- your city -- your State. They are all different than they were only a few years ago.

Look at our Nation -- today suddenly wearing the mantle of world leadership.

Look at the world.

Look at Britain a decade ago -- look at her now.

Look at Germany today and compare her with the Germany of seven years ago when the shadow of Hitler darkened all of continental Europe, and much of Asia and Africa.

Look at Russia seven years ago -- look at her today.

It is no longer true, as Francis Bacon said, that "States are great engines moving slowly." History moves with rushing speed in this era. The illusion that it doesn't much matter what errors we make today because they can be corrected tomorrow is only an illusion.

We can do nothing about the motion of the earth.

We can do a great deal about the motion of history.

You, the farmers of Iowa, know from your own experience what you can do to pick up the remnants of a bad situation -- and build it into something good.

You have built up your incomes to the point where last year your cash receipts from farm products were more than eight times as great as in 1932 -- and more than three times as great as in the so-called boom year of 1929.

You have cut your mortgage debt to less than half what it was in 1933.

In 1935 only three Iowa farms out of 20 were electrified. Today 16 out of 20 have electrical power.

(more)

Farmers have made progress also in caring for the Nation's basic resources of land and timber. More than a hundred million acres are now under complete soil and water conservation treatment. Three million farms are now carrying out conservation practices under the Agricultural Conservation Program.

Nine farms out of ten in this State are in soil conservation districts. That seems to me a remarkable thing when we recall that the first soil conservation district in Iowa was not formed until 1940. And the overwhelming majority of the farmers of Iowa have cooperated in the Agricultural Conservation Program from the beginning of that program in the 'thirties right down to 1948.

This is tremendously important.

Those of you who are old enough to remember World War One will recall how wastefully land resources were thrown into the battle. It was a story that was reenacted all over the entire country.

More than 30 million acres of grass and pasture land were plowed up.

And now listen to a different story. In World War Two -- when the increase in agricultural production was many times greater than in World War One -- we plowed up less than 5 million acres that were unsuited for cultivation.

More than 30 million acres in World War One. Less than 5 million in World War Two.

But even though we have progressed, there is still much to be done before we shall have made all of our land safe from erosion and depletion -- before we can place upon that land and upon our forests the stamp that reads "this land is ours -- and our children's -- forever."

Hand in hand with progress in the care of the land has gone progress in making agricultural livelihood more secure.

Many of you in this hall tonight have lived through the very scenes I am about to recall to your minds. Think back about 28 years. The war is over. The Kaiser is in Holland. The boys are home again. There is a lot of talk about

"back to normalcy" -- about the League of Nations -- about the Nineteenth Amendment to give women the vote.

The crops are good and so are prices. Farmers have bought land, expanded their operations, purchased new machinery. They have gone into debt, confident that the future will be bright.

But, unknown to them, the market structure is already creaking. Prices begin to sway and dip. Then down they come with a thunderous crash. The illusion of agricultural prosperity collapses -- and half a million farmers, within the period of a few years, lose their farms.

Let me refresh your minds with a few of the actual price figures before and after. Wheat in May 1920 -- $3.14 a bushel, Wheat -- November 1921 -- less than a dollar.

Corn -- May 1920 -- $2.02 a bushel. Corn a year and a half later -- 42 cents.

Cotton before the crash -- nearly 40 cents a pound. After the crash -- less than 10 cents.

Do you see any similarity between what happened in 1920 and what threatened to happen early this year? On the fifth day of February 1948, there occurred a big break in the commodities market. For a week and a half prices plunged. And I can still see the headlines of the papers and the editorials asking the question: Is this it? Is this the end of boom and the beginning of bust ?

But in all the furore there was no panic among farmers. In the Department we received only a handful of letters from farmers. I don't have to tell you why. You know why.

Something new had been added since 1920. A bridge, a bulwark, a support. As long as that support stands, you who grow corn and hogs, who provide milk and poultry and eggs for this Nation -- you know that prices of these commodities can fall. Yes -- but not into a bottomless pit.

(more).

Again I say, that's progress. But we cannot afford the luxury of drift. We are at a critical point in our agriculture. A growing number of groups in this country have become vociferous about (quote) the terrible way price supports are keeping up the cost of living (unquote). Day after day I read some version of that statement in the papers.

The actual fact is that agricultural price supports are keeping down the cost of living. Not many city people know that fact. Too many have been deliberately misled.

Take meat, for example. The price of beef, of pork, of lamb, of chickens is not being supported at all. But how many know that? How many know that demand for meat is so great that its selling prices are far above the levels at which, according to law, support would have to be applied?

Some folks believe that our agricultural programs are actually keeping down meat production.

The fact is that agricultural programs have not only helped farmers tremendously increase meat production, but Americans today are eating 15 percent more meat than they did before the war. Remember, this is a per capita figure. Our population has increased a good deal in the past ten years. The number of farmers has decreased. Yet, on the average, every person in this larger population today is eating 15 percent more meat than persons in the smaller population of prewar.

It is this increased production that has kept meat prices from soaring far higher than they now are.

And I have no hesitation whatsoever in saying that without the bulwark of the price support program behind them, American farmers would not dare to produce as they are producing today.

We have the facts, but the opposition seems to have the fog horns. The fuss about price supports and the cost of living is due to just two causes. One is

failure to understand the real purpose and the tremendous benefits to the Nation or price supports. The other is a deliberate, tricky scheme to cover up the real causes of the high cost of living.

Therefore in a few quick sentences, let me present some of the facts.

First, price supports are currently in effect on only three important foods: eggs, wheat, and potatoes. Government buying has had very little effect upon egg prices and only in some areas.

Wheat prices in recent months have dropped about one-third. But have you noticed any decline in the price of bread? There has been none. Something other than the price of wheat is keeping up the price of bread.

As for potatoes, support operations do not make an impertant difference in the cost of living. Out of every dollar Americans spend in their cost-of-living budget, less than a penny and a half is spent for potatoes. But to hear some people tell it, one would think potatoes were the only food the American people ate -- morning, noon, and night.

I should like to point out, nevertheless, that for almost two years Secretary Anderson tried to get the Congress to act to alleviate the difficulties in the troublesome potato situation. All that was required was a simple adjustment that would make the support program flexible. Mr. Anderson urged this in November 1946. He urged it again in January, in May, and in November 1947. He brought it up in February 1948. Again and again he asked the Congress to make an adjustment.

Instead, the Congress this year extended to the end of 1949 a system of price supports that is not as flexible as the situation demands. The major farm organizations, the Department of Agriculture, and the farmers of America had recommended otherwise. The recommendations of all these interested parties went for nothing.

Now I want to make myself very clear. I <u>believe</u> in price supports as insurance for abundant production. I <u>believe</u> in price supports, moreover, because

agriculture is the one major industry whose prices are almost completely out of the hands of the producers. When industry produces a car, a ton of steel, a cultivator, or a pinno, it figures the costs and writes its costs plus profits selling price on the tag. But when the farmer produces a crop, the price tag is written in the commodities market. He takes it or he leaves it, and if he leaves it, the crop may spoil. Of course, he never can afford to leave it unless he has a loan program. The farmer is entitled to a fair price for his product -- and price supports do not become operative until prices have fallen 10 percent below parity -- ten percent below what is commonly considered a fair price.

Without price supports the basis of farm prosperity would be comparatively shaky. We might very well at this moment be reliving the collapse of 1920 and 1921 -- with its bankruptcies of farmers and business people, with its unemployment -- with its social unrest.

And this time our plight would be held up to the world by those, inside our country and outside of it, who want to see communism and communistic nations dominate the entire earth.

You will understand from the things I am saying here tonight that I am distrubed by what I see happening to American agriculture. I see in certain quarters a neglectful attitude toward agriculture. I have seen in the past two years a determination to hold back -- a refusal to push ahead with a sound long-range agricultural program, even though it is obvious as the sun itself that now is the time to prepare for the future. I see an attitude, even on the part of some farmers, that tomorrow will be soon enough.

I have come out here to say to all who will listen to me that what any one of us does is important -- that we all add up -- that we must all be alert, informed, willing to speak our minds.

To me, it was important when the International Wheat Agreement was buried. It is important to American agriculture to have an assured export market for a

large quantity of wheat at a fair price. Why was consideration of the International Wheat Agreement turned over to a subcommittee headed by a Congressman from a State in which no wheat is grown?

Why was it that with every major farm organization supporting the International Wheat Agreement, with the Department supporting it, and with the President supporting it, the measure was not reported out of committee before the July 1 deadline for ratification? Why did the measure fail to reach the floor of the Senate where it could be brought to a vote?

To me it is important what happens to the Commodity Credit Corporation. And isn't it important also to you growers of corn?

What did happen? First of all a bill was passed to take the CCC away from the direction of the Secretary of Agriculture in carrying out the price support law and turn it over to the board of directors. Fortunately, another law overrides that provision and authority is straightened out. But the attempt was made to hamstring CCC in that way.

A more successful attempt was the crippling of the CCC so far as its expansion of storage facilities is concerned. This year farmers in the Corn Belt are producing the biggest corn crop of all time. Other grains, too, are at record or near-record highs. Hundreds of millions of bushels of grain must be stored. Many farmers have sold wheat, oats, and barley at less than support prices because they did not have enough farm storage space and could not find commercial storage.

Storage facilities now are not much greater than they were in 1940. Terminal storage will soon fill up. We can look for no solution there.

In previous years, the CCC was empowered to expand or contract its storage facilities according to needs. At one time it had facilities for 300 million bushels. But the CCC today has bins enough to store only about 50 million bushels. A new law prohibits CCC from expanding its storage facilities.

Corn storage will present a real proglem. Farmers will have to store

their corn on their farms if it's going to be stored. The Department will help in every way it can. You county committeemen already have plans for temporary and permanent bins in your county offices. County agents have them, too. More than this, the new charter of the CCC says we cannot do.

The attitude of the Nation toward agriculture is important to the welfare of the Nation. I tell you that American agriculture is being subjected to an anti-farm propaganda campaign such as I have not seen since the days immediately following World War One. People with guilty consciences are using agriculture as a whipping boy. They fear the truth. They are desperately seeking a scapegoat. And that is dangerous for the whole Nation.

The Department for two years has urged upon our lawmakers the adoption of measures for a long-range agricultural policy of organized, sustained and realistic abundance. This is a sane and practical policy. We can have long-range abundance. We can consume big crops of corn and wheat by transforming them into meat, milk, and eggs. We can thus improve the health and vigor or the American people. But abundance and the wise use of abundance are not free gifts of nature.

If we are to have long-range abundance we must expand our efforts in conservation of land, water, and timber -- at once. But there are some who have sought in the past two years first to cut in half, and then to eliminate completely the Agricultural Conservation Program.

If we are to have abundance, we shall need reasonable programs of price support to insure adequate production. We shall need a floor under consumption of food in times of slack demand. We shall need, moreover, full employment and good wages in industry.

But there are some who believe tomorrow will be soon enough to think about these things.

If we are to have abundance, farmers need the preservation of the methods whereby they have been able to adjust their production to demand. We need an

expansion of research to make agriculture more efficient, both in production and in distribution. The thousands of farmers whose operations are necessarily inefficient because they lack credit, equipment, power or land should be assisted to become more effective producers.

But again, there are some who believe that all these things can wait -- that they are not as important as rehashing the work of the FBI and a grand jury.

Our nation today is blessed with the most subline opportunity any nation ever had. We can use our resources to provide the first era of truly good living the earth has ever known. Our people can then develop, physically, mentally, spiritually as human beings are meant by their Maker to develop.

We can use our resources to help lead the world into a new era of freedom and cooperation.

We can do this if we -- ourselves - firmly believe in the importance of what we do. We do count for something in this world that moves so rapidly. Our opinions count. Even our unspoken thoughts count -- for thought is the basis of future action.

So I urge you tonight -- you who are leaders in your communities -- to inform first yourselves, and then your neighbors, about the issues that confront your communities, your State, your Nation, and your world. For this is the basis of good government.

Let us dedicate ourselves to the objective. We need more men and women who see the vision of a great agriculture -- who see what a great American agriculture can do for America and the world -- who will work to make that vision a reality.

In short, we need more people with the qualities of the man we honor tonight -- the distinguished citizen of Iowa, the Nation's Under Secretary of Agriculture, our good frined, Al Loveland.

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USDA 1866-48-12

Sept. 24, 1948

UNITED STATES DEPARTMENT OF AGRICULTURE
Office of the Secretary

Washington, September 24, 1948

Letter on New York Milk:

Secretary Brannan today made public the following letter concerning the New York milk order:

Mr. John Marshall, Jr.
Executive Director
Milk Dealers Association of
Metropolitan New York, Inc.
Room 810
393 Seventh Avenue
New York, N. Y.

Dear Mr. Marshall:

This is in reply to your telegram of August 20 which you addressed to the President, to me, and to others in the Department of Agriculture, as well as your telegram of September 8, as corrected on September 13. In the first message you urge that we review our position as to a change in the price of Class I milk on October 1, which was established pursuant to the order of July 23. In the second, you request the suspension of certain provisions as to Class III and Class IV prices.

You know, of course, that this order is administered jointly by the State of New York and the United States Department of Agriculture. The State's attitude in this matter is the controlling factor, because the State of New York regulates the price of milk in other areas of New York State independently of any Federal authority and because it has, without regard to any Federal interest in the matter, recently increased the price of milk one cent per quart in Rochester and Buffalo. Because both of these milk sheds compete with the New York City milk shed, the price increases in Rochester and Buffalo set in motion machinery which cannot be stopped by the Federal Government without endangering the supply of milk to the millions of consumers in New York City.

Because these two milk sheds compete with that of New York City, these

price increases make it difficult, if not impossible, to forestall the slight increase scheduled for October 1 without causing milk to flow away from New York City.

As you state in your August 20 telegram, in support of upsetting the scheduled change in the minimum price of Class I milk, forecasts of economic conditions are not always borne out by subsequent events. I sincerely hope, for example, that the producers of milk in the New York area will find, as you indicate, that "production conditions are the most favorable in many years."

However, I am at a loss to understand what has prompted your change of position as to consumer resistance to high prices being a threat to the welfare of milk dealers. Your Association did not hold this opinion when it testified last June in favor of increasing the price to milk producers by the equivalent of one-half a cent more than was allowed in my decision of July 23 and which you are now asking me to suspend.

Perhaps the dealers' arbitrary increase in handling margins which has occurred recently has something to do with the fear you express that milk will be priced out of the market in New York City. A comparison of prices in August of this year and August of last year shows that the price paid by dealers to producers rose an equivalent of 1.9 cents a quart, whereas the retail price delivered to homes increased from 21 cents to 24.5 cents, or 3.5 cents per quart. This means that dealers' margins have increased 1.6 cents per quart in a year's time.

Your statement that there is a surplus of milk which is "going begging" in the New York market is not convincing enough in the face of other reports I have received to support a suspension of milk orders which have been put into effect after full hearings. For my part, without knowing what course the State may favor, I am withholding action upon your request of August 20 concerning Class I milk, and for similar reasons I am not suspending on October 1 the provisions as to Class III and Class IV milk.

A discussion of the latter two classes is within the scope of the hearing that was announced on September 2 to be held on September 27, at which all interested parties will have a chance to express their views. I will be glad to consider the evidence brought out at this hearing, because it is my earnest desire to maintain an adequate supply of milk in New York City.

Because your telegram to the President and me reached the press and was given widest publicity before it reached us, I am compelled also to make a public release of this reply. I have learned that similar or identical telegrams have been sent to Governor Dewey or his appropriate officials, although this fact did not appear in the press. Therefore, I am sending the Governor a copy of this letter.

Sincerely,

/s/ Charles F. Brannan
Secretary

USDA 2026-48-2

UNITED STATES DEPARTMENT OF AGRICULTURE
Office of the Secretary

Washington, September 24, 1948

Mr. L.A. Chapin, Chairman
Bargaining Agency, Inc.
Metropolitan Milk Producers
Onandaga Hotel
Syracuse, New York

Dear Mr. Chapin:

On August 24 you wired me in opposition to a request from the milk dealers in your area that a hearing be called regarding Class I milk price changes which are scheduled to go into effect on October 1. As you will see from the enclosed reply to the dealers, their request is being denied.

You wired me again, on September 17, to request that certain Class IV provisions in the New York City milk marketing order be suspended for the month of October. I am sure you will agree that orders put into effect after full and fair hearings, in accordance with good administrative practice, should not be suspended except under the most extreme circumstances. In fact, you say as much in your first telegram. I am unwilling to take suspension action at this time, but I will welcome any suggestions your Association cares to make on this subject at the hearings to be conducted in New York on September 27.

I am enclosing a copy of the letter which I am sending today to the Milk Dealers Association of Metropolitan New York, in which I discuss further this and several other questions which that Association has raised.

This Department is always glad to receive the suggestions of your organization, but we must not let temporary expedience interfere with the long-term advantages of a stable, well administered milk market.

Sincerely,

/s/ Charles F. Brannan
Secretary

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USDA 2026-48

UNITED STATES DEPARTMENT OF AGRICULTURE
Production and Marketing Administration

Washington, September 28, 1948

Secretary Announces No Cotton Marketing Quotas on 1949 Crop:

Secretary of Agriculture Charles F. Brannan today announced that no cotton marketing quotas will be proclaimed for the 1949-50 marketing year (1949 crop) because the "total supply," as defined by the controlling legislation, of American cotton is less than the amount which would make quotas mandatory.

Under the terms of the Agricultural Adjustment Act of 1938, as amended, the Secretary of Agriculture is directed to proclaim cotton marketing quotas for the 1949-50 marketing year before November 15, 1948, if he determines that the "total supply" for the 1948-49 marketing year exceeds the "normal supply" by more than 7 percent. In the absence of such determination, quotas are not required.

Commenting on today's announcement, Secretary Brannan said, "As a matter of fact, many cotton farmers would have been faced with immediate and drastic adjustments and the Department would have met serious administrative difficulties if it had been necessary to proclaim quotas for next year.

"If quotas had been required for the 1949 cotton crop, the present legislation, with its many minimum provisions, would have required the Secretary to establish total acreage quotas of not less than 27,000,000 acres. This year's total acreage is only about 23,300,000. The minimum quotas which could be fixed for next year would actually have authorized and encouraged an increase of nearly 4,000,000 acres. Hence, the proclamation of quotas would have operated directly contrary to the original intention of the law, which was to reduce cotton acreages.

"Recent area shifts in acreage would not be reflected in the required quota determination. This would lead to major quota inequities. For instance, Department of Agriculture officials estimate that California could be given, by law, an allotment of only about 400,000 acres, as compared with 1948 planted acreage of around 800,000. On the other hand, some other states would have their permissive quotas increased by as much as 100 percent over present planted acreage.

"This latter group of states have shifted their acreage from cotton to a more general type of agriculture, with desirable emphasis on the pastures and livestock production which are so badly needed. Establishment of quotas under the present legislation would tend to interfere with this progress.

"In addition to these problems, there would also be the very practical question of funds to carry out the necessary administration in connection with quotas. Such funds have not been appropriated, and the quota work would have to start this fall. Necessary steps would include establishment of individual farm allotments, a referendum among all cotton growers (which would have to be held by December 15, under legislative provisions), and checking performance next year.

"Even though quotas are fortunately not required for 1949, the situation shows clearly the need for adjustments in the controlling legislation.

"This need was pointed out on August 15, 1947, in an official communication addressed to the President of the Senate and the Speaker of the House by the Department of Agriculture. We called the attention of Congress to the weaknesses of existing cotton legislation and urged prompt consideration of corrective action. We pointed to the fact that the various allotment minimums in the law might make it impossible to adjust allotments in line with requirements. We also suggested the urgent need for legislative revisions which would make possible more equitable distribution of cotton allotments among states, counties, and individual farms, taking into account desirable shifts in land use and cotton planting.

"The 80th Congress took no action to meet this situation. We still need legislative adjustments which would permit the development of a program to get needed cotton production, without burdensome surpluses, at the same time assuring continuation of the constructive land use shifts, which have been started. Therefore, the problem of revising the basic legislation will again be laid before Congress.

(more) USDA 2039-48-2

"Today's proclamation will not change the support price level to producers for the 1949 crop, as present legislation provides that 1949-crop cotton will be supported at a loan level of 90 percent of the July 15, 1949, parity."

The determination regarding quotas was based on the following:

"Normal supply" is defined by statute as the sum of the 10-year average domestic consumption of American cotton plus the 10-year average exports of American cotton (adjusted for trend) plus 40 percent for normal carryover.

On the basis of information received from the field, and Government statistics, as required by the Act, the "total supply" of cotton for the current marketing year is 19,164,000 running bales and the "normal supply" is 18,200,000 running bales.

To reach the statutory level of more than 7 percent above the "normal supply" at which marketing quotas would be mandatory, the "total supply" would have to be more than 19,474,000 running bales. As the "total supply" is 310,000 bales less than the required minimum, cotton marketing quotas cannot be proclaimed for the 1949-50 marketing year.

The "total supply" of cotton is defined by statute as the sum of the carryover of American cotton in the United States on August 1, and the carryover of American cotton outside the United States on August 1, plus the estimated production of cotton in the United States during the current year.

The carryover of American cotton in the United States on August 1, 1948, was 2,989,000 bales. The carryover of American cotton outside the United States as of August 1, 1948, was determined to be 1,317,000 bales. Cotton production in the United States has been forecast at 14,858,000 running bales by the Crop Reporting Board of the Bureau of Agricultural Economics. This results in a total supply determination of 19,164,000 bales.

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With regard to the "normal supply", the 10-year average (1938-47) domestic consumption of American cotton in the United States was 9,298,100 bales. Current indications point to a consumption during 1948-49 of 9,000,000 bales, or slightly less than last year.

The 10-year average (1938-47) of cotton exports from the United States was 2,550,300 bales. However, it is not felt that the last 10 years reflect normal exports of cotton. In at least nine of these years the principal importers of American cotton were either at war or engaged in post-war adjustments. Exports during 1947-48 were only 1,968,000 bales. This low volume of exports resulted largely from a lack of available financing in importing countries, generally disorganized conditions, and the use of reserve stocks on hand.

Factors pointing to increased exports in 1948-49 are financing by the Economic Cooperation Administration, low reserve stocks of American cotton in importing countries, improvement in general conditions of those countries, the fact that the present price ratio between competing world growths is favorable to American cotton, and reduced supplies available for export in other cotton-producing countries. In brief, the export outlook is good, with cotton of high quality and the United States, competitively speaking, in a favorable position in the world markets.

Thus, it is expected that exports of American cotton during the 1948-49 season will be 4,000,000 bales. This total is expected to consist of cotton needed for the ECA program, China, Japan and other occupied areas under the $150,000,000 revolving fund, and exports to non-ECA countries.

With a 1948-49 domestic consumption of 9,000,000 bales, and exports of 4,000,000 bales, disappearance will total 13,000,000 bales. Forty percent of this total, 5,200,000 bales, added to the 13,000,000 total disappearance, gives a normal supply of 18,200,000 bales.

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Sept. 30, 1948

UNITED STATES DEPARTMENT OF AGRICULTURE
Office of the Secretary

THE PLEDGE TO AMERICA'S FUTURE

Talk by Secretary of Agriculture Charles F. Brannan at dinner following agricultural conservation demonstration held in Westmoreland County, near Greensburg, Pennsylvania, September 30, 1948, 8:00 p.m., EST.

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In my native State of Colorado, we often think of Pennsylvania as a State much like our own. Here you have beautiful hills, engaging scenery, rich mineral, resources, and good farm land. I like all this, and I like the people, too! I always feel at home when I come to Pennsylvania.

Tonight, especially, I feel right at home because I am among people who believe in conservation and are doing a great deal to make the ideal of conservation a reality. I would feel at home among farmer-committeemen wherever and whenever I chanced to meet with them because we serve together in common cause.

Pennsylvania has made notable contributions to the cause of conservation, and the conservation demonstration you have held today is in line with your history.

We all pay our sincere respects to those farmers of Pennsylvania whose very name is synonymous with good farming. The Pennsylvania Dutch carved their farms out of the frontier wilderness two hundred years ago, and they have stayed with the land they love ever since. Their influence has reached out to give all Pennsylvania farmers a rich heritage in practical conservation.

Perhaps our modern conservationist--with soil and contour maps, with stream flow figures, water table levels, and run-off statistics--seems a lot different from the Pennsylvania Dutch. But the difference is only on the surface. Deep down inside, they are in full and complete agreement.

Yes, they agree on this: We must take care of our land, if our land is to take care of us.

This is the simple precept and the simple lesson that many Pennsylvania farmers carry in their hearts and use in their daily farm work. This is the reason,

I am sure, that so many of you are willing to serve as Agricultural Conservation Committeemen and the reason you take pride in this great progressive program.

Since the advent of the ACP, for which you are responsible here, we have made more progress toward achieving real conservation than we had made in all of our previous history.

Let us take a brief look at the history of conservation.

We are gaining ground in the battle against wasteful use of land only because determined men have seen the ruin it brings in its wake and then have given their time and effort to the cause of conservation.

The late Gifford Pinchot, once your Governor, was one of the first crusaders in the cause. He was largely responsible for creating the Forest Service of our Department of Agriculture. Modern conservation has gone forward because men like Pinchot laid an enduring foundation. The early conservationists were interested in managing our forests in the public interest. Their original target was the early lumberman's code of "cut out and get out" because it was the most obvious abuse of our resources at that time.

Conservation has broadened its scope since those days, and today you committeemen are waging a war to save our cropland and pastures from ruin.

But it took a long time and a great deal of wasted soil to get our program going. Our national conservation program is less than twenty years old. Soil erosion was first officially recognized as a national problem that must be attacked on a national basis in 1935. In that year, under the leadership of President Roosevelt, Congress passed the Soil Conservation Act, which established the Soil Conservation Service in the Department of Agriculture. That, I repeat, was the first official recognition that soil conservation is a continuing struggle that demands national action for safety and security. It has become a struggle to which our national energies have been dedicated.

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We have forged forward from that day to this. In 1936, the Agricultural Conservation Program began. In 1937, the States started to enact their conservation district laws, and farmers and ranchers began to set up by vote their own conservation districts; began to plan their own land-use programs; began to utilize Federal, State, and local aid programs especially fitted to their local needs.

Here is a brief report of the progress we have made since 1935.

Farmers have organized and are operating about two thousand soil conservation districts under State laws. They contain about three-fourths of all the Nation's farms and ranches.

More than a hundred million acres are under complete soil and water conservation treatment.

At least one conservation practice is now being carried out under the Agricultural Conservation Program on about three million farms -- more than half the farms in the Nation. In 1948 this program has been handicapped, of course, because Congress reduced the funds for it by one-half, but we have been doing the best we could.

We are proud of the way the Department of Agriculture has advanced its fight to save our land. Through the Extension Service, with its specialists and county agents, we are bringing information to individual farmers. Through the Forest Service, we are protecting large areas of timber and watersheds and striving to reduce damage from floods. Through the Soil Conservation Service, we offer technical assistance in the conservation districts. Through the Agricultural Conservation Program, we help farmers in every county of the land to apply conservation practices.

Here in Pennsylvania you have made great strides forward.

Here's your score:

You have organized about twenty conservation districts containing more than eight million acres and about 51 thousand farms since 1938. Nearly one in every

three Pennsylvania farms is located in a conservation district.

Since 1935 the Soil Conservation Service has aided in preparing conservation plans for about 385 thousand acres of Pennsylvania land. The Service has taken part in treating an additional 288 thousand acres, and conservation surveys have been completed on more than one and three-quarters of a million acres.

The Agricultural Conservation Program has assisted farmers in financing various conservation projects on nearly 85 thousand farms in this State at the last count. These farms contain five and a half million acres -- nearly 75 percent of Pennsylvania's cropland.

Some of our most important gains cannot be measured in statistics.

We have finally recognized that economic conditions have a definite influence on the use and misuse of soil. We have recognized that all of us share responsibility for building up and conserving the land. We have recognized not only that conservation payments are right in our democracy but also that they are a tremendously effective aid in getting the job done. We have built a great system of administration in which farmers not only carry out a program but also study the needs of the local farms and help develop program improvements. The Agricultural Conservation Program represents real progress.

But sometimes I feel that when we say we are making progress, the words may carry far too much optimism. Over-optimism would be the worst mistake we could make. Let us look at our problem as it is today.

We can count about 460 million acres of good cropland in the United States. This includes some land that needs clearing, drainage, and other improvements. We have an additional 475 million acres in range and pasture. But nowhere in the United States are there huge tracts of unexplored lands still awaiting the farmer and the plow. The land we are now using is the land we must go on using to support an increasing population. Today there are 144 million of us. Within a quarter of a century we are likely to become 165-million strong, and we could grow so fast

(more)

that we might reach 185 million in men, women, and children before 1975.

Can our farms meet our demands as they grow with our growing population? If we fail to produce the abundance we need, we can be sure of increasing misery and a prevailing low living standard. We have enough cropland to prevent that nightmare from becoming reality. But it could prove to be less than enough if we continue to permit erosion and depletion to turn good cropland into fair cropland and fair cropland into poor cropland.

These are the facts that led the Department of Agriculture to lay before Congress last year a program to strengthen and to hasten conservation. We recommended an inventory of the land conditions on every farm. Knowledge of the particular problems on individual farms would help us to apply many of the right measures at once. Then we would be in a position to check immediately some of the annual loss in fertility. In the meanwhile, we would develop the more complex conservation measures for wider application.

In addition, the Department recommended to Congress the retention of three principles which we believe are essential to the success of any national conservation program:

First, any program should be administered by locally-elected farmer committeemen.

Second, we should assist and encourage farmers in establishing soil and water conservation practices by means of payments for practices performed.

Third, we should provide the technical assistance necessary in making complete conservation plans and carrying out complicated practices on farms.

Congress did not act on these recommendations, which is unfortunate, to say the least. The country needs this further development, not as a farm program alone, but as a defined and specific measure for the security of the United States. This is the forward look.

(more) USDA 2061-48-5

In Westmoreland County today, you have been looking forward into the future. You have been using your energy and the latest discoveries in soil research to prepare a farm to stand the test of time. I am confident that you are preparing well.

Several aspects of this project need special emphasis even though they are well known to you. The brothers -- William and David Parks -- who own and operate the farm selected for your demonstration are war veterans. They came home to take up farming. Here they hope to find security for their families. The G.I. Bill of Rights helped them buy this farm, with the Farmers Home Administration supplying the extra funds they needed. They have armed themselves with the essential technical knowledge through "on-the-farm" veteran training. These are significant facts. They mean that American agriculture is rich with vigor and enterprise.

Your demonstration shows how this vigor and enterprise can be put to use today so as to maintain a vigorous agriculture tomorrow.

You are doing more than protecting one farm and its 219 acres. You are tempering the violence of the floods that periodically sweep down the Ohio and the Mississippi. Every drop of rain retained in the soil here in the Saltsburg flood control area gives a guaranty of better protection to the life and property of everyone downstream all the way to the Gulf of Mexico.

Of course, improvements on only one farm will make no perceptible difference in the next flood that fills the headlines of our newspapers. But patient and persistent conservation efforts directed toward water retention in our highlands can ultimately make a difference after hundreds of thousands of farms have been treated. Demonstrations like this are evidence that we are making America safer as well as more fertile.

Of course, we can't make over in a day or two every farm that needs it. Nevertheless, these demonstrations serve a good end -- far beyond the value of the conservation treatment applied to any given acreage. They are living lessons in

conservation, not just during the days of rebuilding and reshaping, but in future years when the farm and other demonstration farms will be better farms for all to see and to use as a pattern in conservation. This demonstration is, moreover, a revelation of what American skill, ingenuity, and progressiveness can accomplish when a community volunteers to do a job.

Community spirit always has been a powerful force here in America. It speaks well for the cause of conservation to see a united community turn out and do a job like this in a day or two. I like to think of it as a Conservation Bee. It is the kind of affair that should appeal to all Americans. Husking bees, barn raisings, and similar forms of community cooperation have been a vital force in the farm life of America. I am glad to see the same principle applied to one of the greatest problems of our times -- the problem of agricultural conservation. It is irrefutable testimony that our farmers and their neighbors are not sleeping on our heritage. Let us have more Conservation Bees in every State and in every farm county in the land. Let us in this way recognize the fact that we have been exhausting our land and timber resources faster than any nation in history.

We still have a man-size job ahead of us. Erosion is a threat in some degree to at least half the cropland we are using and saw timber is coming down one and a half times as fast as it grows.

In this pair of facts lies the threat that could some day jeopardize America's position in the world. We dare not continue to eat away our reserves of land and forests. We dare not go on living off our capital. We cannot keep on traveling the road of folly without paying a bitter price in ruined acres and in ruined people. Even our reactionary friends who go through life facing backwards should be able to see the mistakes of our history, and those who make a fetish of pinching pennies should be aware of the dollar cost -- if not the human cost -- of soil abuse.

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If we are going to help produce the food the world needs for peace -- for happiness -- for health -- we must safeguard our productive resources.

The world situation today demands that we take care of our land and our forests. I am simply drawing upon the lessons of history when I say that our Nation will not long endure as a world leader if it permits its land and its forests to deteriorate too far.

The greatest danger is that we could pass the point of no return. In spite of impressive achievements in conservation, we would continue to let our farms and forests waste away to the point where mankind could not economically restore their fertility. We must not allow that to happen. The people will not allow it to happen if they understand the danger. Demonstrations like yours today can help to arouse the whole people to the cause of conservation. I am confident that the people want to accelerate rather than slow down our national conservation program. And our national program, like your demonstration today, is a cooperative action.

In your demonstration and in our national program, we have a spirit of mutual help that offers bright promise for the future of agriculture, of America, and even of the world. This is the spirit that led our pioneer forefathers to organize their community building bees -- to give a hand when a hand was needed. This also is the spirit that makes our farmer-committee system a vital force in agriculture. If our earlier history means anything at all, it means that this is the spirit that will assure progress, prosperity, and peace.

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USDA 2061-48-8

UNITED STATES DEPARTMENT OF AGRICULTURE
Office of the Secretary

Oct. 1, 1948

THE PUBLIC STAKE IN GRAIN AND FEED

Talk by Secretary of Agriculture Charles F. Brannan before the Grain and Feed Dealers National Association in convention at Chicago, Illinois, October 1, 1948, 2:00 p.m., CST.

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I welcome this chance to talk with you grain and feed men. Yours is a primary business and your influence reaches out to the grass roots of the Nation. Because of the key importance of your business, the public will be deeply concerned over what you do or fail to do. Because of your close relation to an industry so basic and so important as the agriculture of this country, prosperity in the future will depend in part on the course followed by your industry.

I am here to discuss with you some of the mutual problems which confront us in the immediate future. I shall raise some questions, the answers to which depend on you.

We are both interested in the welfare of a basic segment of our national economy -- the welfare of agriculture. The Nation needs a sound and prosperous agriculture. By our daily endeavors, we can help keep our farm economy prosperous and on an even keel. Our individual roles may differ but we are all in the same operation. If agriculture fails, we all fail. As it succeeds, we all succeed. No one of us wants to see agriculture ride on evil days. We don't want to go through another period like the one that followed the First World War in the 1920's.

Those of you who were in the grain and feed business back in those days remember well enough the tough times you went through. What you learned by hard experience when agriculture was on the rocks is worth more than any words I may say here.

On the other hand, all of you are familiar with the good days of your business during the bountiful recent years when the farmer has been getting a fairer share of the American consumer's dollar. Of course, you have faced the give-and-

take difficulties of normal competition -- your business requires its full share of initiative and enterprise -- but you will really find out about business difficulties if agriculture is dragged through another depression. Ask some of the older men in the business.

Good days for agriculture go hand in hand with good days for the Nation. Agriculture benefits from a prosperous industry and well-paid labor just as those units of the Nation's economy benefit from a healthy agriculture. But enough food and enough raw materials from the soil are a prime essential to the national well-being. Furthermore, what the farmer earns flows back into the purchase of the goods which labor and industry produce.

That is why some of the problems I raise today are so important. Bound up in them are the future of agriculture and the future of your business. What should we do, for instance, if grain surpluses begin to pile up? We can't let the farmers bear the brunt of the national loss which might ensue if our grain piles up on their farms without markets or without storage space. Remember, how the farmers took a licking after the First World War and how that situation adversely affected the whole economy.

We found by experience in the 'thirties that with the aid of price-supporting crop loans our unused agricultural wealth of a good season could be stored for future use. In the last three prewar years by this method we built up large stocks of wheat, corn, and cotton. The country benefited. When the war came along, that stored wealth proved a marvelous boon. It helped feed and clothe our armed forces scattered across the seven seas; it built up the physical strength and morale of our fighting allies; and it helped meet our heavy domestic requirements.

Due to the war and postwar needs, our present stocks are at low levels, despite unusually favorable crop conditions. But with this year we again turn our thoughts toward the renewal of our reserves against the inevitable years of adverse weather or other emergency conditions. In the interest of the public welfare, we

cannot allow, through lack of foresight, the economic waste that results from the absence of a national granary.

That being the case, the challenge is up to you. Can you, and will you, provide the storage space that will keep our surplus grain stores from rotting, unprotected on the farmers' fields? How you are to do it, with whom your association should team up, or whether you can supply the space in your local areas individually, I am not prepared to say. The task is a gigantic one, a challenge in which your welfare, that of agriculture, and of the whole country are involved. I can only repeat that the challenge must be met somehow. We must keep agriculture prosperous. We must provide safeguards against emergencies that might threaten grain supplies.

In the 'thirties, you will recall, the Government helped out through the construction of grain bins on the farms. But, the last Congress put a crimp in that program. They put the whole burden, the whole challenge up to you -- unless the farmer himself is to carry the Nation's storage as well as its production burden. And the Nation, as well as the farmer, is wondering what you are going to do about it. A moment's reflection shows that terminal storage will soon fill up. Who, then, besides yourselves, can provide the physical structures for the return of an ever-normal granary? The Government can't step in. It was prevented from doing so by the last Congress. But somebody's got to do the job. Certainly the farmers are not prepared to carry the load. We have been having complaints this year that farmers couldn't find commercial storage, and many have sold at market prices which were less than the support level.

I know you men are concerned about this situation. Your advisory committees under the Research and Marketing Act have unanimously urged that this particular problem of marketing be gone into thoroughly. With your good will and assistance we are investigating it. We are seeking first to find out to what extent the existing farm and commercial storage facilities for grains, feeds, and seeds are adequate.

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Once the need has been measured, we'll take up the problem of developing and promoting the right kind of program to take care of it.

In the course of the project, we hope to gather a lot of necessary marketing facts. What losses are being caused by inadequate storage and equipment? What are the costs of farm storage compared to local or terminal warehouse storage? What are the advantages and the disadvantages? What about the structures themselves, both farm and commercial -- their design, capacity, location -- whether new buildings or improved old ones?

Agricultural engineers are now at work devising means of improving farm grain bins, particularly from the standpoint of mechanical drying. The emergency development of farm corn drying equipment along with a corn drying program for farmers and commercial operators was the first project under the Research and Marketing Act.

Perhaps I should take a moment to tell you how that act works. On an overall basis, there is an eleven-member National Advisory Committee, six of whom must be representatives of producers or their organizations. As Secretary of Agriculture, I am the Chairman of this Committee. In addition, the act establishes a Committee of Nine representing State agricultural experiment stations. There are 19 commodity advisory committees, including the committees representing the grain, feed, and seed industries, and three functional committees, one on transportation, one on cold storage, and one on foreign trade. The State Extension Services and the State Agriculture Departments and Bureaus of Markets have also established committees to work with us in developing those parts of the program in which they are cooperating. Federal and State agencies, farm groups, and private industry team up on the projects and pool their knowledge to bring the benefits of research and experiment to the production, marketing and utilization of farm products.

Among other projects which affect grain and feed and their distribution is a study of costs and margins in making bread. In cooperation with millers, bakers,

and retailers we are collecting and analyzing data on costs and margins for bread and flour in specific areas such as Kansas City, Minneapolis, Buffalo, Portland, and St. Louis. Preliminary results of the Kansas City study already are being checked against U.S. averages.

This year we started in two Corn Belt States a basic statistics project on cattle on feed for market. We are exploring the best means of collecting data on the number and kinds of cattle on feed, the total number fed, numbers marketed, intentions to market fat cattle, and the quantities of grains and concentrates used for fattening. We plan to extend this project into four additional States in the near future.

In the Western States we have under way a regional study of livestock marketing. We are getting facts first hand on the volume sold, on the direction in which stock is shipped, and on the times of year in which movement takes place. We are observing actual marketing methods and practices. We are putting special emphasis on the marketing of stocker and feeder cattle and lambs, and the marketing through auctions of both slaughter and feeder livestock.

We are also analyzing the inter-relation of price, demand, and supply for grains, by-product feeds, and hay. This involves the economics of commercial uses of feed grains, the feeding of wheat to livestock, and an appraisal of probable need for and effectivenss of future diversion programs for feed grains.

We are making a study, as well, of the costs of manufacturing mixed feeds and of distributing feed at wholesale and retail levels. This will be used in finding ways to reduce costs and handle mixed feeds more efficiently.

All of you, without doubt, have heard about the grain weevil test developed by a Department of Agriculture entomologist working on a Research and Marketing Act project. By this test -- soaking grain samples a few minutes in a special chemical and then washing them -- you can determine the percentage of weevil infestation. The solution brings out little cherry-red dots where weevils have laid eggs in the

kernels. Millers are now widely using this test.

To save your time, let me simply list a few of the other projects in your field, launched, of course, upon the recommendation of your advisory committees. These include a study of new and extended uses and markets for cereal grains, a study of nutrients in forage, an inquiry into possible industrial uses of damaged and inferior grades of food and feed grains, an analysis to learn whether U.S. hay grades are in line with feeding values, and a study on the standardization of sampling and testing methods.

Among the mutual problems facing us today is that of exports. It is up to the United States to get its share of the world's markets, and to keep that share on a sustained basis. You have a direct interest in grain exports, not only because of the general welfare of agriculture but also because larger grain movements mean greater profits for people in the grain business. It's plain that a sustained export market will help the farmer prevent or get rid of his surpluses.

There may be more than one way to keep our share of the world grain trade, but one very definite way we have sought has been the proposed International Wheat Agreement. I feel sure that not all of those grain interests who opposed this world treaty sought to hurt the farmer. But that is exactly what they did. The farm organizations were unanimous in their support of the treaty. Those who struck at it must have failed to see what they were doing to the farmer or to the country's welfare as a whole. I can't think they are so short-sighted that they would deliberately want to injure agriculture. And I don't think they were serving your best interests.

Consider the export situation in wheat. The last three years we have exported a record volume of wheat and flour. But the question now is: What are we likely to export in the next five years? The United States normally produces more wheat than it can use domestically, and has been an exporter of wheat for decades (with few exceptions, in some years of short crops). Our wheat production this

year and last has averaged more than one billion 300 million bushels, whereas our domestic disappearance has been less than 800 million bushels a year. Several other countries also are exporters of wheat. Naturally there is competition among these various countries for available markets. Only at times of world shortage is there competition among the importing countries for the available supply.

When at last we were able to get most of the importing and exporting countries into an agreement on wheat trade covering the next five years -- an agreement providing for substantial export markets for our wheat -- Congress refused, at the last moment, to go along. The International Wheat Agreement never even got out of the Senate Foreign Relations Committee by the time it was to take effect -- last July 1. It reached the Senate floor in the special session in August but only with the understanding that it be held for debate until the next Congress convenes in January.

I feel very keenly that the treaty was the proper approach. It provided a five-year guarantee of good markets. But since the Congress smothered it, the challenge is yours as well as mine to find a way of assuring our country a sustained share of the world's grain markets. Again, how you are to go about it, what agencies you should work through, and what kind of understandings you can get okayed abroad, I cannot say. I can only repeat that we must have a fair share of the world's market. Our welfare is too vitally concerned. Those who killed the wheat agreement should provide a workable alternative. They should be prepared in some way to repay the farmer for depriving him of an assured export outlet.

Unfortunately, our loss of the wheat agreement is not the only threat to price stability and orderly marketing. You are aware of the recent attacks, for instance, on price supports.

Probably the most outrageous distortions in my recent experience have been the statements which have been attributed vaguely to "government officials" -- that the Federal Government this year will "spend" -- or as some have it -- will "put into

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the pockets of the farmers" -- upwards of two billions of dollars in price support. All of you know that such statements are not true. It is likely that large quantities of grain and other commodities will go under loan or purchase agreements this year. Prices of grains have been unduly depressed below supply and demand relationships, but no one knows at this time how much of these commodities will ultimately come into the possession of the Government. No one knows how the Government will eventually come out financially on these commodities.

But it is being said that the Government will "spend" millions of dollars to support the price of wheat. The implication here is that the Government will "lose" millions of dollars. Let's look at the actual situation. In the first place only a small part of the loans will be made by the Federal Government. The major part will be made by private banks, with the loans guaranteed by the Federal Government. The banks will get one and one-half percent interest on these loans with a Federal guarantee against loss. That's a pretty nice business for banks.

In the second place, you can be sure that by next June there won't be an excessive amount of wheat owned by the Government because there's every evidence that the carryover will be at a reasonable level.

In the third place, your Government has a pretty good record on the cost of price support operations. During the fifteen years the Commodity Credit Corporation has been in operation, it hasn't lost anything on the total of price supports for all commodities combined, and the net gain on wheat, cotton, and corn is 250 million dollars. That's net gain -- not loss.

As to those who are saying now that price supports are responsible for the high cost of food. I'd like to know what price supports they are talking about. Certainly, they cannot be talking about meat. There are no price supports at all for beef cattle, and the supports for hogs are way below the market price of hogs. They cannot mean vegetables. About the only supports we have in that category are

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on white potatoes. It's true that the Government has spent a good deal of money on potatoes, but potatoes are one of the cheapest foods and account for only 1.4 percent of the over-all index of the cost of living. A large change in potato prices would not materially affect food expenditures.

Are they talking about current prices of food and feed grains? Wheat has been selling below support levels, and corn below the expected level of support. Even though the price of wheat has declined substantially since last spring, there has been no reduction in the price of bread. Some reductions have been made in the prices of corn products, and that is all to the good. The major effect of the lower prices of corn and other feed will be apparent when the corn has been converted into lower-cost meat, milk and eggs next year.

Honest men who know the facts about price supports oppose the kind of attacks that have recently been made. Recently, I have seen in the press some very able statements on the subject of price supports from the Chairman of the House Committee on Agriculture -- and I am glad to see that this same individual, Congressman Clifford Hope also is taking part in your convention. The gist of these statements is that price supports -- through encouraging increased farm production -- have prevented an even greater rise in prices than has actually occurred. The Department of Agriculture has been saying this right along. Without some guarantee of minimum prices I doubt that -- with the present high cost of farm production -- the high postwar volume of production could have been maintained.

The Chairman of the House Committee also pointed out that since price supports are tied in with the prices of things the farmers buy, the price supports cannot be increased one penny without a prior increase in prices the farmers pay. Price supports are increased after -- not before -- an increase in prices the farmers pay. In fact, the price levels on most farm products which are supported, are set at the beginning of their marketing periods and maintained at that level even though the prices of things the farmers buy continue to rise.

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Last month, the index of prices received by farmers for crops averaged 9 percent below the level a year earlier, but prices received for livestock and livestock products averaged 9 percent higher than a year earlier. The higher relationship for the livestock and livestock products still reflects big consumer demand and purchasing power and the poor corn and other feed crops produced last year.

There are three prime factors contributing to high food prices.

First, demand is abnormally high.

Second, consumers are calling for increased quantities of the more expensive foods and smaller quantities of the cheaper foods. Per capita consumption of the more expensive items such as meat, poultry products, and milk and cream is 15 to 27 percent above the prewar level. For the cheaper foods -- potatoes, sugar, and wheat -- average per capita consumption is 5 to 7 percent under the prewar average.

Third, increased food marketing charges account for as much of the rise in retail food costs as does the rise in farm prices since June 1946.

Price supports are important to the welfare of agriculture and the Nation -- particularly to the welfare of those, including the members of your association, whose livelihood depends on the farmer. They give the farmers assurance of the reasonable markets he needs if he is to maintain full-scale production. They provide the Nation with a measure of protection in case of depression. Their long-range importance may be minimized at the moment by bumper crops but they do play an essential role in our national policy of abundance, a policy which will prove of continued benefit to grain and feed dealers. As you know, abundance does not come about merely by strokes of fortune. We have seen abundance turned into waste -- a curse instead of blessing. We have to make it possible to consume abundant production. Abundance must be profitable to producers as well as to handlers and processors -- and it must be profitable on a continuing basis -- not merely in boom years. Thus, we must not only work toward maintaining large markets and greater efficiency in both marketing and production -- we must also provide the price stabilizing assurances of a flexible, long-range price support system. It is up to all of us who really believe in a policy of abundance to do our part to make that policy succeed.

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UNITED STATES DEPARTMENT OF AGRICULTURE
Office of the Secretary

THE FARMER AND THE DRUGGIST

Talk by Secretary of Agriculture Charles F. Brannan before the National Association of Retail Druggists, Atlantic City, New Jersey, October 15, 1948, 2:00 p.m., EST.

(FOR OCTOBER 15 P.M. RELEASE)

When you invited me to speak at your convention I was glad to accept. But I must confess that my acceptance was tinctured at the time by some doubt as to whether the message I could bring you would prove useful.

At first glance, there might appear to be little in common for the druggist and the farmer. And yet, occupations as important as modern farming and modern pharmacy are bound to have some common interests. Upon reviewing some of the interests of these two groups, I was surprised to find how much they do have in common.

Retail druggists, like modern farmers, are essentially businessmen today. The druggist has traveled through a remarkable transition in the past twenty-five to fifty years. At one time the druggist was primarily a purveyor of drugs and medicines and a practitioner in the field of medicine.

Like so many people, I am familiar with your business largely as a result of frequent visits to the neighborhood drugstore. In many ways it is the logical successor to the general store that has all but disappeared from our system of distribution.

Getting prescriptions filled is only an infrequent reason for my visits. But I know the prescription counter is there. In fact, I rely on that knowledge in family emergencies. But the evolution of the modern drugstore from the apothecary's shop has diminished the relative importance of the prescription counter. Occasionally our popular humorists would even lead us to believe that the druggists have forgotten their professional function of compounding medicines. But I know better. The druggist has not forgotten. I read a

drugstore advertisement just the other day announcing that a prescription counter was among the facilities of that modern store.

The prescription counter is one of the places where the farmer and the druggist come into partnership. It is providing the market-place for an increasingly large stream of farm products. The botanicals used in medications since man first learned that the barks, roots, berries, and leaves of plants and herbs could produce results beneficial to the human system, run into many millions of dollars. A fair estimate of the value of the crude botanicals we produced and used in this country in 1940 is ten times the million dollars' worth we exported in that year. Botanicals form a farm crop important in the localities where the plants and herbs are grown.

But new drugs of farm origin have appeared across the horizon since 1940. Some already hold invincible positions in our medical armaments, and others are exhibiting signs of genuine promise as they are advanced through the successive essential stages of experimentation. These are the antibiotics which have as their common mission the destructions of microbes and germs.

We have good reason to be familiar with them in the Department of Agriculture. We have played an important part in assuring the introduction of these drugs into common use where they can alleviate suffering and save lives. We are interested because these products have their origin on the farm in products farmers grow and market. Some of the newer drugs have demonstrated unbelievable power to accomplish specific missions. Penicillin is one of those and it is perhaps the best known example.

Penicillin is not strictly a farm product. But it is a laboratory product of by-products of farm products. As you know, it is the end-result of research that Sir Alexander Fleming carried on at Oxford University in England. Its discovery occurred in 1929. Penicillin's unrivaled usefulness in combating infection was the signal to our government and our Allies in the Second World War that we should

produce enough to safeguard our soldiers from battlefield infections. It was a production job, but we first had to learn the "know how."

The Department of Agriculture undertook the task at its Northern Regional Research Laboratory at Peoria, Ill., where we possess one of the world's foremost collections of molds. Our scientists were equal to their assignment. Not only did they raise the yield more than 100 times by selecting higher-yielding strains of mold, but they also developed a process of propagating molds in deep tanks on a nutritious diet of corn-steep liquor and milk sugar. The process was adaptable to commercial production. The measure of their success is to be found in these facts:

About a dozen pharmaceutical houses today are producing penicillin for commercial production.

The price of 100 thousand units of penicillin has been reduced from $20 to less than one dollar.

Our current rate of producing penicillin is about 125 thousand times larger than it was in the first six months of 1943.

Our annual production of penicillin is now estimated at a value of 150 million dollars a year at prescription counters and in hospital dispensaries.

Our research in penicillin cost about 100 thousand dollars in public funds for salaries and expenses. The research was carried on at a laboratory that represents a public investment of two million dollars. Here then is an investment of public funds that has paid off in handsome dividends -- for farmers, for physicians and for pharmacists, for the sick and injured. Insofar as I can see, the evaluation of the research in penicillin can be presented in human terms or in economic terms, but the verdict is undeniable. It has brought rich rewards for all -- now and for the future.

(more) USDA 2163-48-3

At least four other promising antibiotics now under experimentation seem likely some day to form part of your stock in trade as well as to relieve human suffering. These are subtilin, usnic acid, tomatin, and polymyxin.

Subtilin and usnic acid, I am told, show signs of being useful in treating pulmonary tuberculosis. If the drugs live up to that promise, we will have gained another and important victory in mankind's long struggle with TB. Subtilin is the product of waste juices from the commercial processing of asparagus, citrus, and pears. Usnic acid is derived from Spanish moss.

Tomatin comes from the tomato plant, and the potential importance of this antibiotic is rated very high. It looks like a "comer" in treating human diseases of fungi origin such as athlete's foot.

In polymyxin we have an antibiotic that may prove useful in treating Bang's disease in cattle. This is important to the livestock industry itself. But the drug promises to aid us in lessening the danger of one of the most stubborn diseases in the dismal list of human afflictions. Undulant fever is associated with Bang's disease, and success in treating this animal disease could bring genuine benefits in human health by eliminating a source of undulant fever. Like penicillin, polymyxin is the product of culturing mold. It is an outgrowth of the Department's own wartime research in synthetic rubber.

Streptomycin is an antibiotic that is an accomplished fact. Its production is currently in excess of two million grams a month, and its price is being brought within the reach of the average-income family. Streptomycin also came out of agricultural research. This drug was isolated at the New Jersey Agricultural Experiment Station in the course of prolonged research in the microorganisms of the soil.

And so the story goes. Agricultural research has welded farmers and druggists into partnership.

(more) USDA 2163-48-4

In rutin, another new drug of extraordinary characteristics, we see the results of another adventure in research. The drug has been known for about a century, but its medical properties remained undiscovered until Dr. James F. Couch of the Eastern Regional Research Laboratory hit upon a scientific hunch. Dr. Couch was analyzing the chemical constituents of the tobacco plant. He found rutin among them. Its resemblance to an un-isolated vitamin, vitamin P, suggested that rutin might serve the human system in a similar way. Vitamin P had been found useful in remedying hemorrhagic conditions. The University of Pennsylvania undertook the necessary clinical research in rutin, and Dr. Couch's theory became a verified fact.

Within the past two years rutin has become a valued drug available to the public in treating many abnormal conditions in our blood vessels. The drug's essential value lies in its ability to restore weakened capillaries. But even today we are uncertain about rutin's full value. It reduces the severity and speeds the healing of X-ray burns. This suggests that rutin may benefit persons exposed to dangerous atomic radiation.

Our current production of rutin has an estimated value of 150 million dollars a year. At present, about fifteen pharmaceutical houses are manufacturing the drug. They extract it from green buckwheat plants.

As you will recall, the research began in the chemical analysis of the tobacco plant for possible industrial products. But the supply of rutin became inadequate as the clinical research gained headway. The Eastern Regional Laboratory found itself in what businessmen would consider a serious price squeeze. Cooperating physicians needed more and more rutin, but high-grade tobacco was far too expensive for the laboratory to use as its raw material. Intensive research soon revealed that the green buckwheat plant was cheaper, and it was found to contain about ten times as much rutin.

(more) USDA 2163-48-5

This is an anecdote - th a moral worth your reflectio Certainly it demonstrates that government administrators are fully aware of the value of a dollar. They are persistent in searching for practical economies in government.

And what does the balance sheet on rutin show? The research cost the government about 300 thousand dollars in salaries and expenses. The laboratory that houses the research, like its companion at Peoria, cost about two million dollars. Perhaps all we need to show on the credit side of the ledger is that the buckwheat grown for rutin alone is worth about two million dollars a year to farmers.

These drugs are dramatic examples of the research the Department has undertaken to the mutual advantage of druggists and farmers. But there are others as well. The drugstore that stocks the aerosol bomb handles a product the Department's entomologists invented to protect the health and comfort of our soldiers by giving them a practical way of carrying and discharging insecticides.

Your stock some day may contain a "two-way stretch" cotton gauze bandage entirely free of rubber now in pilot plant production. Its virtue lies in helping broken joints mend more readily. The bandage was originated at the Southern Regional Laboratory during the war, and the Navy used the limited available quantities in its hospitals.

Candy and confections form another field of research for Department chemists. These are products for direct sale from your drugstores, and the apparent success our chemists have achieved indicates that you will have better candy to sell -- more flavorful, less likely to become stale, and offering better nutritional balance. Only this week new candies the Department has developed in cooperation with the National Confectioners' Association were exhibited in Chicago. These products are fortified with protein and other food elements which balance the high energy value candy contains. As much as 7 percent protein can be added. The Department's research in this entire field is designed to improve hard-type peppermints, soft-type nougats and fondants, jelly-type candies, gum drops, and marshmallows. The Department also has produced new frozen desserts.

Nor does the research stop with products you may sell. Better packaging material has been developed to give your products longer shelf-life. Another product is a new sealing material for pressure-capped bottles containing medicinal products as well as other liquids and beverages. This kind of research touches every department in your drugstore. It can even help you sell. I am told that the new packaging material, for instance, is an excellent medium to carry more colorful merchandising designs and labels.

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But this partnership doesn't end with research. The modern drugstore is a market-place for food and tobacco. These products represent a substantial part of your business -- perhaps a quarter to a third of your gross income. Sales in drugstores are today in the neighborhood of 300 million dollars a month. And so you have a direct interest in the comments that have been so frequent recently about rising food costs.

One of the most common accusations in this even-numbered year is that government support prices are the cause of higher food prices.

Meat seems to be a major source of comment despite the fact that beef, mutton, lamb, and veal have never been supported. Pork has a support price, but the current market price has been bid up to as much as 50 percent above the support level. The government hasn't supported the price of hogs since 1944. Another interesting item is coffee. It is important in your breakfast and luncheon business. Coffee is about double its 1946 price, but coffee has no support price.

Take wheat. We agree to support the farm price through crop loans and purchase agreements that mature near the end of the crop year. Wheat has been coming down in recent months. It is near the loan price level. It has dropped about one-third from the high point last winter. Now if food costs go up when farm prices go up, one would expect food costs to go down when farm prices go down. But it hasn't worked that way with wheat. Bread has not come down.

Potatoes have been a support-price problem which the Department of Agriculture has pointed out several times. Here the inflexible support at 90 percent of parity encourages larger production than we can readily consume. But even with the price support potatoes are one of the least costly food items. In any event, potatoes represent a small share of the cost of living of the average family.

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We have bought some eggs at a support price of thirty-seven and a half cents a dozen in the Midwestern States. We are supporting egg prices in an area where production was greatly expanded to meet our wartime demand for large scale production. In effect, the government promised the support price for the duration of the emergency and two years thereafter. We are living up to the contract we made. It was a contract that the farmers have fulfilled.

By fulfilling their contract, farmers have done much to hold back inflation. Food production still is running at a level about one-third higher than prewar. Price supports provided the assurance which farmers needed in order to go ahead and expand production. They gave farmers an incentive to produce by freeing them of the fear of another price collapse like that which broke many farmers in 1920.

Farmers achieved their production increases during the war with less labor, and under the handicap of the wartime shortages so familiar to us all. It was one of the outstanding achievements of the war. At the same time, by making greater use of our knowledge of soil conservation methods farmers did a remarkably good job of protecting their land while increasing food production.

We have today a stronger and more productive agriculture. In many ways agriculture is in better condition now than in the opening days of the Second World War. Food production, farm income, and the farmer's basic parity position are but a few signs of the genuine improvement. The decrease in tenancy is another, and hand-in-hand with it has come a substantial reduction in the debts our farmers owe.

All of this is important to you as businessmen. It is important to you as professional men as well.

Let's look at what farmers spend for medical care. By 1946 farmers apparently were spending three times what they spent in 1936 for medical care. Part of this increase can be accounted for by price advances, but the larger part of the rise in amount of money used to safeguard health represents the increased

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ability of farmers to obtain the benefits of medical science. But even after they had tripled their per capita expenditures for medical care, farmers were no better than even with urban consumers in their spending for health. In the same ten years, city consumers doubled their medical care expenditures. Farmers are not the preferred group in our economy that they are sometimes represented to be, but they are catching up.

This brings me to my third and last point about the fields of common interest to druggists and farmers. It's a matter of common interests and common goals for agriculture and all of business and industry. It's the question of maintaining a balanced economy in which the prosperity of one is essential to the prosperity of the other.

When the farmer is prosperous he is a good customer of drugstores and hardware stores, automobile factories, clothing manufacturers, and most any other kind of business you can think of. When he has to sell his products at bankruptcy prices, you get hurt as we have seen so often in the past. Cheap food, we have found, may be one of the most expensive commodities the city man can buy. It's paid for eventually by depression.

For many years, farmers struggled under the handicap of a serious price and income disadvantage. They don't want a return of that situation. Neither do they want to have an advantage over city consumers. That would be bad for farmers in th long run. Right now, prices of some products, especially meat, are too high. Prices to farmers for some other products are too low. For some products it has been difficult for farmers to keep up with rapidly rising demand and purchasing power despite the fact that farm production records have been broken year after year and food production still is at a level about a third higher than before the war. This year's big grain crops now assure an adequate meat supply as soon as they can be transformed into the necessary increases in farm flocks and herds.

I am sure that no one need have any question but that farmers will supply their part of the abundance which this nation is capable of producing for all of its people.

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Nov. 5, 1948

UNITED STATES DEPARTMENT OF AGRICULTURE
Office of the Secretary

PUBLIC SERVICE UNLIMITED

Talk by Secretary of Agriculture Charles F. Brannan before Chi Psi Omega Fraternity Banquet, American University, Washington, D. C., 7:00 p.m., November 5, 1948.

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It is truly a pleasure to come here tonight to talk to you about the Department of Agriculture, and particularly about its public services. I like to talk about the services of the Department of Agriculture whenever I have the opportunity, because they are so important to the Nation's welfare and affect directly so many more people than is commonly supposed.

Contrary to what sometimes seems to be the prevailing opinion, the Department of Agriculture is not a private preserve for farmers. A great deal has been said recently about price supports in relation to the high cost of living. It is obvious from the opinion that seems to have been widespread that there is considerable lack of understanding about price supports, their purpose, and their effect. Did it ever occur to you that price supports are a service to city people as well as to farmers? Did you know that they have been the most important means used since the beginning of the war to stimulate increased production? Did you know that food production in this country still is running about one-third higher than before the war? So, even the farm price supports administered by the Department of Agriculture are not a private preserve for farmers. They have been as much of a service to consumers as to producers.

When a scientist in the Department of Agriculture develops a new and higher yielding food plant it's important to farmers, because it means greater efficiency and lower costs of production. But don't forget that it's important to consumers for the very same reasons.

When the Department of Agriculture develops a chemical like 2,4-D, which is now known throughout the land for its ability to kill weeds, it performs a direct

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service for farm and city people alike. It makes available new business for manufacturers, transportation systems, distributors, and retailers. Despite the popular falicy in some quarters that the Department of Agriculture is a private preserve for farmers, there are very few instances where efforts of the Department of Agriculture are of value only to farmers.

One of the chief reasons why this is so is that, to have prosperity in this country we have to have a balanced economy with buying power in the hands of all groups in order that each group may provide a market for the commodities and the services of other groups. So whatever success the Department of Agriculture may have in efforts to help farmers maintain their income in a desirable relationship with the income of other groups is, in the last analysis, a service to everyone.

It was not until the time of President Lincoln that the organization we now know as the Department of Agriculture became a separate and independent agency. The Act creating the Department of Agriculture was based upon a proposal for a "Department of the Productive Arts," a proposal which originated with Commissioner David P. Holloway of the Patent Office.

Whether Commissioner Holloway's definition of the Productive Arts embraced the art of homemaking is a question I cannot answer, but certainly a large and important phase of the work of the Department of Agriculture is of direct interest to this country's largest occupational group -- its 32 million housewives.

Are present-day housewives better homemakers than their mothers or grandmothers? That is a question which I would hesitate to answer even if I felt I knew the answer. But this much we can all agree upon -- our diet today is better by far than the diet of the 1870's or 1890's or the early 1900's. And I believe that the Department of Agriculture can justly claim that a large part of the reason for improved diet can be traced to the scientific research and the educational efforts of the Department of Agriculture.

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We have learned a lot about foods in the last 60 years, and the Department has had a direct and continuing interest in this subject. Food inspection, protection against impure and adulterated food, and the establishment of sound food standards and grades for processors, who wish to use them, were pioneered by the Department of Agriculture. One important food inspection service, the inspection of meat in interstate commerce, is compulsory. But the interest of the Department of Agriculture in nutrition has been much wider than consumer services and protection.

The investigation made by Dr. W.O. Atwater in the late 1880's did a great deal to provide the foundation for the science of nutrition in this country. He built the forerunner of the equipment now used to determine basal metabolism.

One of the first of the Department of Agriculture's long series, more than 2,000 different Farmers' Bulletins published since 1889, was one in which Dr. Atwater dealt with the staples of diet from the standpoint both of cost and calories.

One section which deals with bread has a familiar ring today. Dr. Atwater found that the price of bread had failed to come down with the reduction of 50 percent in the cost of flour.

The tradition of public service animates the Department of Agriculture today as it did in the days of Dr. Atwater. In advancing its research, our modern Bureau of Human Nutrition and Home Economics gives attention to a wide range of practical problems in the home.

Technical research on the subject of the energy which children put into school work and into their play is important in determining proper caloric allowances.

One of the more recent practical applications of nutritional research was a menu and recipe booklet, "Money-Saving Main Dishes," which many of you may have

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obtained during the recent national food campaign. This booklet was developed specifically for the purpose of aiding housewives in meeting the problem of high prices. About five million copies of this menu and recipe booklet were distributed to satisfy requests in all parts of the country during the last six months.

Cooperation with business is perhaps one of the lesser known activities of the Department of Agriculture. But its research dealing with industrial products, with plant and animal breeding, fertilizers, marketing, insecticides, and farm machinery and equipment, to mention only a few, has proved valuable to industry in many ways.

Perhaps the best know exploits of the Department of Agriculture in the field of industrial chemistry are those which result in new help to physicians in the form of an ever-increasing number of antibiotics -- those almost invincible drugs that can be aimed with surprising selectivity at microbes. Penicillin received its renown not because the Department of Agriculture had anything to do with its discovery, but partly because scientists of the Department did develop ways of producing it in larger quantity at a reasonable cost. Other antibiotics that give promise of great importance are going through the proving part of the research process right now. These include subtilin and usnic acid which give promise in the treatment of pulmonary tuberculosis, tomatin for treating diseases of fungi origin, and polymyxin for the treatment of Bang's disease in cattle. If these drugs live up to their promise they will perform a service to humanity, provide new industrial products, and provide farmers with expanded market outlets for the commodities which are used in the manufacture of those drugs. But drugs are only a small part of the broad front on which the Department of Agriculture is advancing in research.

Some day you may buy an automobile equipped with a fuel-strengthening device that is now undergoing operating tests in the Northern Regional Research Laboratory at Peoria, Illinois. With this device, alcohol is injected into the carburetor

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from a separate small tank when the motor is pulling hard. This steps up the octane rating of the fuel and increases the engine's power. Will this device ever become standard equipment on motor vehicles? I don't know. But I am told that motor makers are watching the experiment with keen interest. Our interest, of course, lies in the fact that industrial alcohol can be manufactured readily from such farm products as grain and potatoes.

It is interesting to observe that probably half of the shotgun shells now made in the United States are glued together with a soybean adhesive. The cartridge manufacturers which formerly used casein glue appealed to the Department of Agriculture for a cheaper adhesive because casein became so expensive during the war. Casein, as you may know, is made from milk.

Are the chemists worried about having displaced casein from this minor market it once enjoyed? Their answer would probably point to the fact that a medium-priced paint brush using bristles made of casein fiber is now being tested.

Low-grade cotton can now be transformed by chemical treatment into a linen-like fabric. This development is expected to widen the market for cotton in the making of toweling, shirts, handkerchiefs, drapes, and many other textile products.

And so research goes steadily ahead in a broad field in the Department of Agriculture. Some measure of its size exists in the list of 1200 patents granted over the years for inventions developed in the Department of Agriculture.

Up until 1931 these patents were dedicated to the public, and we have no record as to the extent to which business and industry used them. Since 1931, however, such patents usually have been assigned to the Government for administration by the Department of Agriculture. It is the general practice to grant licenses for the use of these patents under special conditions prescribed for their use, setting forth standards for such things as purity and strength.

One of the most popular patents among manufacturers is the one granted on the aerosol bomb. More than 50 companies have licenses to manufacture and sell this device for discharging insecticides.

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The Department of Agriculture's public service is best known perhaps in the field of developing better products for agriculture and industry and for the public generally. It may be a new variety of orange tree introduced from the Orient, a new type of hybrid hog that meets today's requirement for more lean meat, or the discovery that rutin, the drug that scientists forgot, has an astonishing ability to strengthen fragile capillary blood vessels in the human body, and therefore often has an important place in preventing homorrhagic conditions so often associated with high blood pressure. The broad benefits of such discoveries are readily understood. But the services of the Department of Agriculture go further into the field of public and private and even personal interest than most people suppose.

Perhaps no one but an ardent Izaak Walton League member would advocate soil conservation practices because of the resulting improvement in fishing. Fishermen know that silted waters provide poor fishing and that soil conservation methods which prevent erosion give the fish a better chance. Those same efforts to keep the soil in place, of course, hold back silt that would otherwise get into city water supply reservoirs and into rivers and harbors used for navigation. Channel dredging in the Chesapeake Bay cost the Federal Government more than 100 million dollars in the last century. Yes, erosion can be costly not only in terms of lost resources but in actual costs to taxpayers to undo the damage.

Of course, the primary value of soil conservation lies in the assistance it provides in maintaining a productive agriculture, and this is something more than a service to farmers. It has a direct relation to food, clothing, and shelter for our people now and in the future. It is difficult to see how any public service could be more fundamental to the health, happiness, and prosperity of our people.

Rural electrification may seem at first glance to be nothing more than the extension of a city convenience to the farm homes of the Nation. The number of farms having electricity has increased from about 10 percent in 1935 to more than 65 per-

cent at present. But customers, other than farmers, are among the two million REA consumers. Probably 75 percent of the customers are on the farms, but the other 25 percent includes 300,000 rural residences, 170,000 small businesses and manufacturing plants, 20,000 schools, and 10,000 churches.

Construction of new electrical lines in rural communities has opened up brand new markets for the manufacturers of electrical applicances and equipment. This means much to a host of people who do not live on farms in the form of jobs and markets.

Consider the Valley Rural Electric Co-op of Huntington, Pennsylvania. It is now about eight years old. Its lines string together the narrow valleys lying in six counties in the mountains of south central Pennsylvania. During the war this Co-op provided power for a pumping station on the famous Little Inch pipeline. Today it powers one of the American Telephone and Telegraph Company's long line repeater stations on the New York-Chicago circuit. These are public services, of course, which reach far beyond the needs of farmers in the area. This Co-op delivers current to about 4500 consumers, and this is public service. But the interesting fact is that since the Valley Electric Co-op was organized it has been called upon to serve a whole series of new industries -- a broiler plant producing 25,000 broilers every three months, a planing mill, an oil burner factory, a machine shop, and an apple packing house and cold storage plant.

Such a pattern of community development which REA has made possible carries with it the promise of better living and greater security for many people. It does so because of greater employment opportunities, better markets for farm products, and better markets on the farms for the goods and services produced by the towns and cities.

Among the information services of the Department of Agriculture, The Farmers' Bulletins especially seem to be known everywhere, and, of course, there is good

reason for this fact. Many of the Farmers' Bulletins, like other information material available from the Department of Agriculture, contain information of direct interest to housewives -- information about such things as food preparation, household budgets, and control of household insects. Farmers, of course, and those who work directly with farmers, are the ones who create the greatest demand for Department of Agriculture information. About 3,000 requests per day for information, day in and day out, one year after another, are received in the Department's Office of Information. Fortunately, a large percentage of those requests can be answered with bulletins. The reason is that so much of the knowledge available in the Department of Agriculture is recorded in bulletins.

Another group of published reports in great demand by a large number of individuals and organizations deals with supplies and prices and demand for all of the major agricultural commodities. So important are these reports to the Nation's agriculture and the Nation's business that they are flashed across the country as soon as they are released on all of the news wire services.

Monthly crop reports are events of great moment in every commodity market in the country. So important are many of these that they are not released until trading is ended on the exchanges, because they have such great effect on the market.

On the grain and cotton futures markets traders accept crop reports as the standard on crop conditions and trends in production, but that is a relatively small area in which they are useful.

Food processors and handlers use crop reports as their guide in making plans in accordance with the size and quality of the crops they expect to handle.

Railroads, too, use crop reports as a part of the basis for their plans in supplying and routing boxcars to transport the Nation's farm products.

In the past several years these reports have been involved in international affairs. They gave advance indications to foreign nations on how much grain they

might expect from the United States and told the responsible Government officials in this country how much grain would be available for allocation to needy countries.

One of the little-known services of the Department of Agriculture is the periodic measurement during the winter of the depth of snow in the mountains of the West. Now this might not sound like much of a service, but I assure you that to many people it is very important. The main purpose of snow measurement during the winter is to determine the amount of water that will be available for irrigation during the fall and summer, and this is of great importance to everyone concerned with agriculture. But there are others who watch carefully these reports on snow accumulation, because it affects city water supplies and the water power to generate electricity. It is worth recalling that the Department's Soil Conservation Service, which does the measuring of snow depth, warned the people of the Columbia River Valley in advance of floods that swept downstream last spring with such great loss of life and destruction of property.

The Commodity Exchange Authority is a name that probably means little to most people. But it has an important service to perform which affects all of us directly or indirectly. Its responsibility is to prevent unfair market practices on the Nation's commodity exchanges. And that's important to traders, processors, and consumers.

Importers and exporters look to the Department of Agriculture for information about foreign crops and markets.

I could go on for a long time discussing the services of the Department of Agriculture without running the risk of repetition. What I have said here tonight does not cover by a long ways all of the work of this great agency of Government. There is one common denominator that is the basis of all of the work of the Department of Agriculture, and that is public service, whether it is for businessmen, for consumers, or for the public generally. The Department of Agriculture is truly an organization of public service unlimited.

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UNITED STATES DEPARTMENT OF AGRICULTURE
Office of the Secretary

AGRICULTURAL EDUCATION FOR DEMOCRACY

Talk by Secretary of Agriculture Charles F. Brannan at a session of the Division of Agriculture, Association of Land-Grant Colleges and Universities, during 62nd annual meeting of Association, Washington Hotel, Washington, D.C., Tuesday, November 9, 1948, 8:00 p.m., EST.

(FOR RELEASE NOVEMBER 9, 8p.m., EST)

I should think you would regard another speech in early November very much as you would regard a hot dog immediately after Thanksgiving dinner.

I have never put much stock in the Ivory Tower charges that are leveled against educators, but your willingness to listen to speeches just now indicates that you must have had some retreat which the radio and the public address trucks could not penetrate. Either that, or you are hardy souls and just naturally long-suffering.

Seriously, though, I hope you did listen to the campaign talks. In a very real sense, campaign talks represent a challenge to educators. They reveal not only the understanding of the candidates and their supporting speakers but also the understanding of the audiences. Effective campaigners know their audiences and tailor their remarks accordingly, and whether they do it scientifically or by instinct, they cannot be shrugged off. Educators and some others tend to deplore or ignore the simplifications and appeals that are used in campaigns. However, I am inclined to think that a good historian could use the campaign talks to measure the educational level of the country at a given time. The historian would need a considerable amount of skill and perception, but I think he could cut through the inevitable froth and find the substance needed for a fairly scientific measure of educational progress.

If there is anything more than arm-waving in all our talk about educating for democracy, we are forced to measure results in terms of political talks and political decisions. It would certainly be a mistake to assert for three and a

half years that education is important in making a free society succeed and then to assume for six months or so that any relationship between education and events is purely coincidental.

Personally, I think that our democracy is very strong and that there is nothing wrong with it that education won't cure.

We hear that people too often vote with their emotions instead of with their reason. But emotions are a natural part of the human animal, and even our emotions are registered with our brains. Education surely has something to do with the way we direct our emotions if in truth it is a civilizing force. So even emotional voting may be affected by education.

We hear also that people too often vote for their own selfish interests -- mainly economic. Well, perhaps human evolution will sometime produce a society made up of relatively self-less individuals, but for the time being we rely on education and religion to make us see that our own stake in the general welfare and our own peace of mind often outweigh our immediate, individual, selfish interests.

We hear that people have a hard time in campaigns distinguishing between fact and distortions of fact or plain untruths. We hear that facts are used sparingly and are oversimplified. Is this because the people have not had access to the fundamental facts about the world in which they live? Is it because our educational process has failed to provide the mental disciplines that enable people to test ideas open-mindedly and then to accept or reject rationally? At any rate, it is too much to expect that political leaders should teach theories of economics and social organization in a campaign. That is the year-around job of our educational and communication systems.

But political campaigns have to use facts that are commonly known and understood. In some degree, campaigns force people to make decisions on the basis of the facts at hand; thus, they force a pragmatic rather than academic consideration of facts.

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And, so it is that the development of democracy requires that the people be informed -- armed with facts and equipped with the mental disciplines that enable them not only to distinguish between fact and distortion but also to make practical decisions.

Merely knowing is never enough.

Minds full of facts may also be sterile minds.

Geniuses may be selfish and anti-social.

Those who are said to be educated may be complacent.

Germany had scholars whose nihilistic philosophy condoned and even gloried in the evil that bore the name of Hitler.

A man may understand in detail the principles of atomic energy and fail to concern himself whether those principles are used for good or bad.

I would rather leave our political destiny to those who are short of facts and full of good will toward their fellow men than to those who are well-informed but morally neutral. However, neither alternative is satisfactory for a free and progressive society.

Education can motivate as well as inform and train, and the very term "education for democracy" implies motivation.

Education that is really education for democracy can and must raise the general level of knowledge and, in my opinion, must also show us how knowledge can be applied in socially useful ways.

Study the faults of a political campaign, and you will see the challenge to education.

Note the commonly accepted beliefs that are subject to question. Note the distortions of fact. Note the complicated situations that are oversimplified or perhaps not even discussed for lack of a solid foundation of general understanding. Analyse the conditions that account for the defeat of Candidate A and the election of Candidate B.

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This is a job for teachers and school administrators at all levels from kindergarten on up and for all others who are responsible for educational functions, including the press and radio.

It is a job for agricultural educators as definitely as for the professors of political science.

If we are really to educate for democracy we must educate for general understanding of individual parts, including agriculture, and we must educate toward the development of statesmanship in agriculture.

As you are well aware, agricultural policy quite directly affects the lives of many people. It has a great deal to do with the present quality of our democracy and with our future. And as you are also aware, it is a complicated matter involving biological and physical science, economics, sociology, various technologies, skills, arts -- in fact, nearly the entire scope of human knowledge.

Objectively and without criticism of anyone, I think we must admit that few persons who make and administer agricultural policy are equipped thoroughly with knowledge of the subject. Many of the people who have to pass political judgment on agricultural policy -- that is to say, the voting public -- have little opportunity to learn the facts on which they have to make decisions. When policy is being debated, the news generally deals with personal conflicts and the individual voter may never hear what the real issue is.

Farm people are studying policy questions as never before -- at the same time as they study production and marketing techniques.

But even full-time students would have a hard time keeping up with agriculture in our rapidly changing world.

For many years, American agriculture has been going through an evolution that has changed it greatly within and also in relation to the other segments of the economy. More recently it has undergone a revolution. This revolution is still in progress, and the long-time consequences are not yet clear. Educators

and many others of us in the field of agriculture, like the scientists who developed the atomic bomb, feel a responsibility to promote true understanding of the new developments and to make sure that they result in good rather than ill for mankind.

You are all familiar with the facts of our agricultural revolution, and I shall not take your time to review it in detail.

Suffice it to say, the recent agricultural revolution puts within our reach a new era of better living. At the same time, it stirs up the fires within the rumbling volcano of surplus -- a volcano that always threatens to erupt and engulf us in its smothering, spreading flow.

We are producing about a third more than in the years just before the war. Although our population has increased rapidly, so that we have less cropland per capita, we are producing 10 to 15 percent more per capita. Our production is still on the upward trend as we continue to mechanize our farms, develop higher producing and more dependable varieties of crops and improved livestock, do a more effective job of killing bugs and diseases, and build the fertility of our soils by means of materials and practices.

But today a new change is on the way. We are coming to the end of the period of unlimited demand.

Already the producers of some commodities are having extreme difficulty in selling at a profit.

From now on agriculture must do a better job of managing.

After the first world war we failed to maintain our markets, and we failed to adjust our agriculture to postwar conditions. We lost markets abroad, and we lost markets at home. Farm prices crashed soon after the war and stayed low in relation to other prices for many heart-breaking years. Our economy was out of balance, and the nation paid a bitter price.

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This time we must maintain balance. Agriculture at present is geared to provide each person in the country at least 10 percent more than in the 1920's, to supply foreign markets at least as great as in the 20's, and to continue increasing total farm output.

If we increase our output faster than our population increases, if unemployment cuts per capita consumption, if foreign markets drop off too much, if we produce too much of some items and too little of others -- if any of these things happened, our agriculture and our nation would be in serious trouble.

If we get into trouble, we can expect to see it develop in one or more of these commodities: Cotton, wheat, potatoes, eggs, and oil crops. We will do well to keep our eyes on these indicators.

On the other hand, we need more milk and meat, and fruits and vegetables. We need them to meet the wants of our people, the nutritional requirements of our nation, the goal of soil conservation and soil building, and as a means of avoiding surpluses of grains and fiber. However, the extent to which we can shift our production toward meeting our needs will depend on the prosperity of town and city people. The farmer's customers must have jobs and fair wages if they are to buy the kinds of food they want and need and if they are to support the kind of agriculture that our nation needs.

These are a few of the basic facts that both farmers and nonfarmers must understand if we are to follow a consistent and workable long-range policy.

Within agriculture itself, education has a much more complex job ahead. Modern farming becomes more complicated -- not simpler. As we mechanize our farms, we require not only a higher degree of mechanical skill but also better management. With modern machinery, a family can farm more intensively and often more extensively. The individual farmer requires more land and higher investment. He produces more and markets more. Thus, the commercial side of his life goes to a new scale of

size and importance. You people know how important it is nowadays to cut costs of production, to choose the right machinery and operate it properly, to have the right amount of land, and so on.

Furthermore, some farming areas are only beginning to mechanize extensively Competition for a profitable place in the field of agriculture is sure to become stiffer.

Yes, surely, education has a big job to do within agriculture as well as about agriculture. And just as certainly both farmers and nonfarmers must come to understand the problems of agriculture.

I like to be specific. Let me use one commodity as an illustration of what I'm talking about.

We all know something about potatoes.

But do we know enough?

People have been growing potatoes for centuries. We are told that potatoes were a staple in the diets of South American peoples before the rise and fall of the civilization of the Incas.

Ireland, Great Britain, France, Germany -- in these and many other countrie potatoes have been outstandingly important.

In our own country, the people in every State have grown them for years. Potatoes are just a simple crop of the farm and garden -- nothing mysterious or difficult about them. What has education got to do with potatoes?

Well, let's see. First of all, let's look at some odd figures.

In 1919, at the end of the other world war, we harvested about 3-1/3 millio acres of them, got a yield of slightly more than 90 bushels, and we ate about 153 pounds apiece.

Come on down to 1947: We had a little more than 2 million acres (over a million less than in 1919) we got a yield of 182 bushels (more than double 1919), and we were eating less than 125 pounds apiece (around a fifth less than in 1919).

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What has education had to do with this? We have learned to produce seed potatoes that are resistant to plant diseases, are earlier maturing, and are able to produce more potatoes per hill; and many people have learned to grow those varieties.

We are using more efficient fertilizers, more effective fungicides, and much improved insecticides. We have more land in irrigation. We have mechanized potato production to a much higher degree.

Producers of late crop potatoes have developed efficient storage facilities so as to market their product with less waste over an 8 or 9-month marketing season. They ship their product in preheated railroad cars without damage from freezing in the dead of winter. Producers of early crop potatoes have learned to protect their highly perishable product from the hour of digging in, say, California, to the day of marketing in, say, New York City.

Each of these new developments -- the development itself and the use of it-- was an educational achievement, and each changed American agriculture perceptibly.

Potato geography has changed somewhat. We have tended to concentrate our production in so-called commercial potato producing areas which are particularly well adapted. For example, the Red River Valley of Minnesota. Southern California with a yield of 420 bushels an acre in 1947 was producing more than 16 times as many bushels of potatoes as in 1919. And so, quite obviously, many farmers have learned big-scale potato production, and many farmers who formerly grew a few potatoes for sale have turned to other crops.

Meanwhile, consumers have learned to eat a wide variety of fresh and processed vegetables, and partly as a result of this they are eating less potatoes per person.

Now let's take a look at Government policy on potatoes. During the depression we had a difficult surplus problem, and it became Government policy, first, to cut surpluses by emergency action and, then, to maintain balance through

such measures as marketing agreements, diversion programs, and aid to schools and charitable institutions. It also became Government policy to protect and rebuild our soil. Government policy undoubtedly played its part, along with science and education, in increasing yields per acre and affecting markets. Government policy undoubtedly helped to increase and maintain returns to growers and to maintain markets that were tending otherwise to dwindle. It also helped to increase efficiency of production. I shall not attempt to give an over-all evaluation of the effect of Government policy. I am trying only to point out some of the facts by way of making the observation that Government policy required a new understanding of agriculture by farmers, by political leaders, and by the public.

Now let's come on down to the war period. It became Government policy to encourage the production of certain food products most needed during the war. This was not much different in principle from the prewar policy of maintaining balance between the production and markets of that day. The difference was that demand had suddenly shot upward and was extremely urgent.

Policy-makers remembered history and decided that one of the greatest problems to overcome was the fear of postwar surplus and price collapse. And so they determined to give postwar price protection as a means of encouraging wartime balance -- that is, production of more of the most needed commodities.

Potatoes became a so-called Steagall commodity near the end of 1942. Thus, producers of potatoes were guaranteed 90 percent of parity price in a postwar adjustment period. Under legislation as it now stands, the 90 percent support applies to all 1948 crop potatoes harvested by the end of this calendar year. In 1949 the support level by law can be not less than 60 percent of parity.

You know the difficulties we have had with potatoes under this legislation. There has been widespread criticism from the public. There has been waste of potatoes. There has been a tendency to produce for the Government rather than for market. Although producers have reduced their acreage, production has held up.

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Postwar adjustments that were hoped for have not materialized.

The large dollar losses being taken under the potato price support program are substantially offsetting the past gains from other CCC operations. And, of course, the potato losses are out of all proportion to the losses on other commodities.

This year we have gone to great lengths to prevent any waste of potatoes. A bureaucrat, you know, doesn't like to see the waste of any farm product any more than any other taxpayer does. But there is always a question as to how much the public is willing to spend in order to prevent waste. Before the Government had direct responsibility for potato prices, farmers let many surplus potatoes rot in the fields. Merchants sometimes suffered heavy losses. In those cases, some people may have blamed their own judgment or the economic system, but they did not blame the Government. This year we have felt compelled to subsidize some use of every surplus potato. We have given as many to the schools and charitable institutions as they could possibly use. We have saturated industrial markets. And we have sold potatoes for livestock feed as low as a penny per hundredweight.

What about the future? In the past we have had potato surpluses in about seven years out of every ten. Does the public want to wash its hands of the problem? I don't think so. At least, many of us are aware that surpluses cost the nation dearly whether we have Government price supports or not. Surpluses cut the producer's purchasing power, cause neglect and mining of soil, upset the balance in the whole economy. Price supports, on the other hand, not only protect the individual producer but can be used -- if they are properly devised -- to help guide production.

Here are some questions for the general public and the farmer: Assuming as we can from our data that we need about 350 million bushels of potatoes per year, how much of a safety margin do we want as protection against drought or other emergency? Must the farmer bear the expense of the safety margin, or will the

public bear it? In case of a surplus, how much is it worth to prevent all waste? Knowing that we can grow more potatoes than we need, where shall the potatoes be grown?

These are only a few questions involving one commodity among scores in one segment of an economy that is highly interdependent and delicately balanced. Nor do these questions involve merely our economy -- they involve a philosophy of government, a way of life, America's attempt to make the ideals of democracy reall work.

Those are practical matters that will be influenced by our success or failur in educating for democracy.

Among those who must legislate on those questions, among those who administe the laws, among the farmers, among the citizens generally, we need a high degree o statesmanship.

Our research people must be trained not only in how to ferret out facts but in recognizing what facts are needed as the basis for new educational work.

We need experts who can see the whole of agriculture -- the meaning to human beings of their work in controlling insects and disease, creating new machines, breeding higher yielding crop varieties, applying their special knowledge in other ways. On the other hand, those who do the general work -- the administrative people -- must have as the basis for their general decisions a good understanding of what the researchers and experts are doing. In the legislative halls, we need the most understanding generalists of all. It takes a high order of statesmanshi to deal intelligently, promptly, and in the public interest with problems as complicated as those in the potato situation I have outlined. And there are many problems just as complicated.

In closing, I want to apply to you and me this idea of our need for statesma ship.

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You are here representing the great Land-Grant Colleges and Universities. I am here representing the U.S. Department of Agriculture.

Between our institutions there has long been a rather close formal link and in many cases an even closer working relationship and feeling of common interest. Parenthetically, it is interesting to note that our formal relationship in itself is a matter of national policy -- the result of governmental action and therefore political in the broad sense.

The question I want to leave with you is this: How can institutions that you and I represent help to develop the understandings, the motivations -- in shor the statesmanship -- that our country so definitely requires?

I do not feel that I have an adequate answer. I do not think the answer can come from any single one of us. Some things we can do individually. Other things we must do together.

As for resident instruction in our colleges and universities, I think that more could be done to acquaint all students with agriculture -- its place in our economy, its place in our political unity, its place in society, its problems and the effect of those problems on all the people. The lawyer and the doctor, the engineer and the musician -- and above all, the teacher -- need to know the facts of agricultural life.

As for extension work, I think that more could be done to extend basic agricultural education to nonfarm people. Perhaps this should be merely one phase of a broad adult education program. Among farm people, cooperative extension work is performing an extremely valuable service. As the report of our joint committee on extension work says, educational service is being extended in "an ever-widening range of subject matter and with the aid of an increasing number of techniques." This is all to the good. But let us pay particular attention to the conclusion of the report, which says, "The present need for extension education among farm people is apparently far ahead of the capacity of extension to meet it." The report also

speaks of the need to develop local thinking and planning. I like this statement: "The search must be intensified for more effective ways of stimulating the urges of rural people to seek and find solutions to their problems, rather than ways of handing them measured doses of information to satisfy immediate demands. When this search has been successfully completed, rural people of their own volition will seek the 'why' of things, rather than just the 'what' and 'how.'" (Incidentally, I think they have shown great progress in that direction.)

Thus, it seems to me, our joint committee has stated the need for much more than technical education. It is expressing the need to educate for democracy or, if you will, to propagate a higher statesmanship among our people.

I could spend considerable time talking about the report of the joint committee. However, I am sure you are familiar with it, and I'm sure you feel as I do that it stands very well on its own merits without embellishment. I do want to say this much more about it: I regard it as significant not only for what it says but for the cooperative spirit it represents. The committee courageously tackled controversial issues. It did a constructive job in analyzing relationships between the Department and the Colleges and among the Colleges and cooperating groups.

The successful work of the committee is in itself the best testimony for one of the most important recommendations made by the committee. I refer to the recommendation that representatives of the Department and the Colleges should meet regularly. Arrangements to carry out this recommendation should be formalized and a definite conference system should be put into effect as soon as possible. It is highly important that we meet often and discuss matters of mutual interest as frankly and cooperatively as our joint committee on extension work has recently done. This is particularly important if we are to carry out our duties and obligations in the field of extension education. But relationship between Department and College need not be strictly confined to this one phase of educating for

democracy. Educators generally could well look upon the Department of Agriculture as one of the laboratories in which the ideals of democracy that they teach are given a practical test.

In other words, I am suggesting that while we strengthen our formal relationships in the field of extension we should also, in a less formal way, communicate frequently on the whole problem of agricultural education for democracy.

As I said in the beginning, I don't think there's anything wrong with democracy that education won't cure. But we are in a fast-moving world, and complacency is our enemy. We need the highest order of statesmanship.

Let us not be afraid to judge our educational progress by our political campaigns and plitical decisions. Let us so educate that a free and progressive society will be the living monument to our efforts.

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USDA 2357-48

UNITED STATES DEPARTMENT OF AGRICULTURE
Office of the Secretary

THE AGRICULTURAL PENDULUM

Talk by Secretary of Agriculture Charles F. Brannan before National Grange 82nd Convention, Portland, Maine, November 13, 1948, 11:30 a.m., EST.

It's a privilege and a pleasure to be in Portland for this occasion. It is always an honor to address a great farm organization.

As the oldest major farm organization in the land, the Grange has seen the ups and downs of American agriculture over a period that is now approaching the century mark. Eighty-two years is a long time. It is more than half the entire span of life of the United States of America.

In that long period extending back to the time just after the close of the Civil War, your organization has had ample time to learn the truth of the saying that man is a "pendulum betwixt a smile and a tear." So, too, is American agriculture. Like a pendulum American agriculture has swung up to prosperity and down to depression. Over and over again. Now a peak of farm income. Now a valley of debt and bankruptcies.

Fortunately, the analogy is not exact. If the lot of man -- the lot of the farmer -- were merely the swing of a pendulum, there would be no progress. But we all know there has been progress. And in no period in our history has progress for agriculture been more outstanding than in the last decade and a half.

The past few years particularly have brought the greatest prosperity American agriculture has ever enjoyed.

Let us hope that we shall always be prepared to prevent the pendulum from swinging as far in the other direction as it has in the past.

Today the United States has an industrial and an agricultural capacity such as we never dreamed possible only a few years ago. We have the capacity to produce abundantly food, shelter and clothing for all our people. We can provide education

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and recreation, opportunity and freedom, so that American men, women, and children can develop in body, mind, and spirit better than ever before.

Certainly agriculture has production records to prove that it can do its part.

The record corn crop of two years ago seemed immense -- three and a quarter billion bushels. Yet this year's crop broke that record by a wide margin.

Last year's record wheat crop -- 1.4 billion bushels -- that was immense, too. This year's wheat crop was not far below that peak. And when we add corn and other grains, we find grain production well up over any other year in our history.

From 1937 on, year after year, farm production has been climbing. When the war ended, it seemed that agriculture could not continue to go on at the same terrific wartime pace. Yet in 1946, farmers broke all records for over-all production.

Last year, bad weather cut output back about five percent.

This year, another record has been established, surpassing 1946.

Obviously, we can produce abundantly. No longer is it necessary for the people of the United States to accept a hand to mouth existence.

Once before within the clear memory of everyone of us, we had something that looked like abundance.

Here in Maine we had abundant potatoes, so cheap it hardly paid to dig them.

Down South we had abundant cotton that piled up at a nickel a pound.

In the Corn Belt we had abundant corn and hogs that didn't pay cost of production.

In the Great Plains we had abundant wheat that nobody could sell.

I think we learned some valuable lessons from that paradox of want in the midst of plenty.

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It took farmers, city folks, and government working together to make agriculture as strong as it is today -- to raise the rural standard of living -- to restore a healthy balance between the economy of the farm and the economy of the city.

We have machinery now to avoid wasteful production.

We have the means for handling surpluses in an orderly manner.

We have credit agencies to help farmers become owners or more successful tenants.

We have a national policy of protecting the land against erosion and depletion.

We have a program for extending electric power to rural areas.

We have expanded research programs to help farmers lower costs and increase efficiency.

We have price protection policies to stabilize the farm market.

All this represents progress of the past 15 years.

It was progress won by cooperation. The country as a whole recognized the need for a sound, stable agriculture. And, as is always the case when Americans cooperate, there is bound to be progress.

Now, it seems to me that farmers have a big job ahead to make certain that the pendulum of public support and cooperation doesn't swing the other way. Part of that job is to increase production, particularly of meat. I am sure we can consider that job well on the way to accomplishment. By the time another year rolls around this year's big grain crops will be coming to market in the form of increases in livestock products.

The second part of the job ahead is to get better understanding of the fact

We have seen price supports attacked as a prime factor in the high cost of living. The housewife knows that meat has been high in price. But perhaps she does <u>not</u> know, as you farmers do, that there are no support prices for beef cattle

calves or lambs. The housewife may remember that coffee has doubled in price in the past two and a half years, and that fish has tripled in price during the same period. She may not stop to think that there have never been price supports for coffee or fish.

No one knows better than the American farmer that flaws exist in the present price support program. But we have every opportunity now to perfect the price support program and make it do a better job for producers and consumers. Here in Maine, potato growers are well aware, I am sure, that price supports for potatoes have acted as a production incentive rather than a floor under prices. You are aware also, I am sure, that the Department of Agriculture for two years has made a study of the price support legislation, looking to remedying this situation. However, I think I should point out that potato price support difficulties have been given recognition greatly out of proportion to their importance. Out of every dollar Americans spend for living expenses, not much over a penny goes for potatoes.

That's a good and easy figure to keep in mind.

When we survey the price support picture in its entirety, we find that the benefits far outweigh the difficulties. By assuring producers against loss, price supports have certainly brought much greater abundance. This, of course, is the most important restraint that can be put on inflation.

And furthermore, price supports have not been expensive. Far from presenting the American taxpayer with a big bill to meet the cost of price supports, the Commodity Credit Corporation has made a net profit on its loans, purchases and sales.

Since World War II we haven't encountered the same kind of conditions we had after World War I, and so we haven't been threatened with a farm price collapse. But we want to make sure that we are prepared to prevent a repetition of that catastrophe.

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After many years of wasteful use of soil resources this Nation developed conservation policies and programs that have had the understanding, cooperation, and support of city as well as farm people. We have started that pendulum in the right direction. We can't afford to take the chance of letting it start the other way.

We have seen conservation work handicapped by false economy. We can't afford that kind of luxury. We can't afford not to spend the money to sew up the hole in our pocket through which we would otherwise be losing money day after day.

We have seen a swing of the pendulum, at least in the Congress, bring about a reduction in emphasis on agricultural research. In that same swing of the pendulum, we have seen the opportunity lost for an International Wheat Agreement and an assured foreign market. At the same time the Commodity Credit Corporation was prevented from expanding its grain storage facilities to help farmers care for the largest grain crop in history.

Sometimes in the past when the pendulum has started to swing the wrong way it has gone so far that it brought disaster to agriculture. Even in prosperous times, farmers can't afford to take a chance on lack of understanding of their problems and their programs.

It seems to me that there are two principal problems to solve as we look down the corridor of the future. One is the problem of keeping our land permanently productive. The other is the problem of learning how to live successfully with abundance.

We can solve both of these problems.

To do so we must understand them.

Through the study given to farm problems in connection with hearings and testimony during the past year and a half on long-range farm programs, a lot of knowledge has been gained. All the major farm organizations, many individual

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farmers, and the Department of Agriculture have presented their views. For the most part, there seems to be substantial agreement as to what kind of a permanent farm program is needed. The experience and judgment of these individuals and groups appear to run pretty much along the same general lines. It is only necessary to review that testimony to feel that agriculture has a good chance of developing a policy of organized, sustained and realistic abundance.

It is becoming generally understood that the largest single factor in farm prosperity is full employment and good wages. This is essential to farm and city balance.

We learned that lesson 15 years ago when industry and agriculture had been out of balance for a long time and farm depression had been followed by total depression. We know now that we cannot long keep agriculture out of balance with the rest of our economy without having a bad effect on all of us.

It's a problem for all of us. It demands the interest and the cooperation of the whole people.

A second fundamental is an adequate foreign market. Normally Western Europe has taken from 60 to 75 percent of all our agricultural exports. If our agriculture is to produce in sustained abundance, we need substantial foreign outlets, particularly in years of big crops. It may be too late now to revive the International Wheat Agreement, but we need that assured market for 185 million bushels of wheat annually provided in that proposal.

A third fundamental is the extension and expansion of programs that will take up the slack of commodities in temporary surplus and place a floor under food consumption in times of low purchasing power. If we are to have abundance, we must employ every reasonable means to assure continued use of abundance. We know, for example, that there is room for expansion of the School Lunch Program, since today only about one child out of three is receiving its advantages.

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A fourth fundamental is adequate land, water, and forest conservation so that our basic natural resources will be sufficient to meet our future needs whatever they may be.

It was only a few years ago that the Nation adopted the policy that conservation of the land is the business of the whole people. In those few years immense progress has been made. I am proud of the work of the Soil Conservation Service, and of the accomplishments under the Agricultural Conservation Program directed by farmer committees. I am proud of the accomplishments in this field by the Extension Service, the Forest Service, and the Federal-State research institutions. But we know that at least half the cropland we use is subject to erosion. We know that we are still using up timber reserves at a rate one and a half times the rate of growth. So, while we can take pride in our accomplishment, we know there is a big job still to be done.

Fifth, we need programs which will make agriculture more efficient and which will enable rural populations to share equally in modern conveniences and services.

Today about 70 percent of American farms have electric power -- compared with about 11 percent in 1935 when the Rural Electrification Administration came into being. A big electrification job still remains ahead. As we push on, the task becomes harder in some respects because of the greater distance of remaining farms from centers of distribution. But the need of these more isolated farm families is just as great as those who live in more accessible areas.

In the last 35 years which have encompassed the most disastrous depression we have ever known as well as two world wars and the postwar difficulties that follow, we have gained greater knowledge and experience of importance to agriculture than in all the rest of our history. We have seen the pendulum swing both ways -- violently.

Farmers have gained and the Nation has gained from the cooperation and the understanding support of other groups that helped to make successful farm programs possible. It's up to us now to do our part in continuing the understanding and cooperation that will keep the pendulum swinging in the right direction in the future.

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UNITED STATES DEPARTMENT OF AGRICULTURE
Office of the Secretary

BETTER LIVING

Talk by Secretary of Agriculture Charles F. Brannan at Alabama Farmers Union Meeting, Centre, Alabama, December 3, 1948, 7:30 p.m., CST.

I want to begin by telling you why I selected the title, "Better Living" for this talk.

Our Nation has had a history of which we can all be proud. But never, until now, have we enjoyed an era of truly good living. Never before have we had the industrial and agricultural capacity for such a period. Today we do have that capacity. Our job is to apply it. That is why I have chosen for my topic -- "Better Living."

I have not forgotten -- not for a minute -- that many people of the South -- many people in all parts of the Nation -- have by no means attained the necessities and conveniences signified by "better living." If they had, there would not be so much point in talking about it. Because they have not attained these things I believe we can profitably take time to review past progress -- to evaluate the present -- and to plan for a future in which all Americans can have "better living."

Sometimes, progress seems invisible. It moves like the hour hand of a clock -- so slowly we don't see movement at all. But when we look at the clock after an hour or two, we see that time really has advanced. So it is with better living. Glancing over our shoulders, we can see landmarks of progress.

We can also see the shortcomings of the past -- and thus we can determine more clearly what is needed in the future.

Here in Alabama you have made tremendous progress -- most of it since the beginning of the national farm programs some fifteen years ago.

There's a lesson in that. Leadership and cooperation pay dividends. Farmers had the leadership to develop these programs. They had the ability to cooperate -- to make the programs work.

In this talk, I am not going to say much about cotton. This does not mean that cotton is not regarded as important. Cotton always has been a basic crop in the South, and I expect it always will be. But the day when cotton was complete King of Southern agriculture is gone -- I believe, forever. The agriculture of the South is changing -- for the better -- for more prosperity -- for greater security.

As I came into this State today, I couldn't help but think of the remarkable change that has come about in recent years. In some sections it is as though the face of the earth has been remade.

Take the Black Lands. Not so long ago, three acres out of four of the cultivated soil in these bottom lands was in cotton.

The Black Lands were white -- white with cotton.

Today they are green -- green with grass.

That speaks volumes for the progress this State and the whole South have made in diversifying agriculture.

Here are just a few figures to show the transition in Alabama since 1930.

First, consider the population shift from the over-crowded farms to cities. In 1930 more than half the people of Alabama lived on farms. In January of this year, less than 43 percent of the people lived on farms.

In these eighteen years farm population decreased by about ten percent. But the number of wage and salary workers in manufacturing industries almost doubled. Specifically, the increase was from 120,000 workers in 1929 to 225,000 in 1947.

As the pressure on the land has diminished, Alabama farms have grown larger and more efficient. From 1930 to 1945, the average size of your farms increased

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by 25 percent. Even so, there are still many families on farms that are too small to provide a decent living.

Greater diversity of production has accompanied these changes. In 1930 cash income from cotton totaled two-thirds of the entire cash receipts from farm marketings in Alabama. Last year, cotton brought in less than half of your total farm cash income. And when allowance is made for home use of food, income from cotton and cottonseed amounted to only one-third of the State's total farm income.

At the same time, however, it is significant that receipts from cotton were about five times as large last year as they were in 1932.

This is a picture of progress. I look upon it as full of hope for the future.

But these are only a few aspects of the changing face of agriculture in Alabama and the whole South.

Consider the progress you have made in conserving natural resources.

Before the Soil Erosion Service was established in 1933, the country had no national program of soil and water conservation. Land washed off to the rivers and blew away on the wind and nothing effective was done to counteract the destruction.

Let's see what Alabama has done with the help of farm programs.

In 1934 the Soil Erosion Service started an erosion control demonstration project at Dadeville -- this was the first Government supported soil conservation work undertaken in Alabama.

The year following Congress passed the Soil Conservation Act and placed the job of stopping waste of soil and water in the hands of the Department of Agriculture.

In 1936 the Agricultural Conservation Program of payments for soil-saving practices came into operation.

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The farmers of Alabama have every reason to be proud of their cooperation in these programs. Yours was the first State to have all of its land within the boundaries of farmer-organized and farmer-managed soil conservation districts.

Today, I am informed that conservation plans have been prepared, with the help of Soil Conservation Service technicians, on more than 30,000 farms, covering over five million acres. More than three million acres have already received complete conservation treatment.

Through the Production and Marketing branch of the Department of Agriculture, thousands of farmers -- with well over half the cropland in the State -- have received assistance in conservation practices.

In the past twelve years phosphate has been applied on more than five and a half million acres, lime on more than a million acres, and green manure on over eight million acres.

It's a good record. It has paid off in larger yields and increased efficiency.

But even this does not complete the picture of your progress. Alabama forests are important. Over half of your land is forest and wooded land. Though timber is still being drained off faster than it is being replaced by growth, Government and farmers are striving through research, education, and cooperative forest fire protection, through planting and woodland management projects to work out better care of your forests. Some of the private forest lands in Alabama are well managed. Others are still subject to poor or destructive cutting practices. But you know the problem. You are on the march.

Alabama farmers and farmers throughout the South have profited by Farm Credit and Farmers Home programs. Credit is available at reasonable interest to help you become more efficient, or to become farm owners, or to acquire new land and equipment.

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You have benefited also by the advance of electric power into rural areas. In 1935 when the Rural Electrification Administration was started, only one Alabama farm out of twenty-five was electrified. Now about half have electric power.

Yes, the record is good indeed. A solid step toward better living has been taken. Now the question is: Where do we go from here?

I am glad to say that I do not have a new or a spectacular answer to that question. I am glad to be able to say that -- because if I had a new answer -- a spectacular answer -- it might mean that we had been on the wrong track these past fifteen years. I am convinced that we have been -- and are -- on the right track.

So my answer to the question, where do we go from here is just this: We go in the direction we've been traveling. But we step up the pace. We take it at double-quick. We improve our programs. We save the good. We eliminate waste. But always we continue to press forward along roads which already have brought results.

Let us push forward with mechanization. It is coming; so let's prepare to make the best use of it. In another two years there may be close to a million tractors in the South. Soon there may also be thousands of mechanical cotton pickers, choppers, flame-cultivators, and other labor-saving equipment. Some producers in the South have already completely mechanized their farms. They have lowered their costs, perhaps to one-fourth or one-fifth of the old costly hand labor methods. Lower costs mean competitive advantages -- and larger income.

Besides the machines already on the market, work is underway to mechanize peanut and sweetpotato production.

As the South mechanizes, great changes are sure to follow. Larger farms, for one thing. Fewer hands to plant, care for, and harvest crops. Some small farm units will expand. Others will disappear and be absorbed in larger farms.

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What is that going to mean to the family-sized farm? I think that with proper guidance and assistance, it will be good for the family farm. Certainly, it will mean that some producers who are barely getting by with a hand-to-mouth existence on submarginal land with a minimum of equipment, will leave the farm for jobs in industry or the service occupations. But this is not a bad thing, if thereby they better their living standards. Others will undoubtedly get larger acreages. Farmers Home Administration will help in this as it has in the past. Tenants will be aided to ownership through that same agency. Some farmers will take their land out of uneconomic crops and diversify. If they do not have the acreage to raise livestock or to take up dairying, they may go in for more poultry and truck crops.

But always the family-size farm that uses machines is going to come up against the factor of larger operating costs compared with large units. Where a tractor is employed on a two-hundred-acre plot, the cost of operating it may be only one-third as much as if it were operated on a fifty-acre plot. Obviously, the smaller farm is at a disadvantage.

There is an answer to this also: Cooperation.

Where it is not feasible for a producer to put out a large sum for farm machinery -- or where the acreage is too small to permit full use of machinery -- it may be possible to form a cooperative and buy machines on that basis. Or it may be more practicable to engage machinery on a custom basis.

But whatever the answer, I am convinced that the greater use of farm equipment will be a factor in the creation of a new South. A more efficient South. A more prosperous South. A South in which farm and factory can exist in better balance.

Along with increased mechanization -- indeed one of the factors which will help to bring it about -- we can strive to extend electrification. In a State

where only half the farms now have electric power, surely we have a great challenge. I think it is undeniable that any farm which does not have electricity is not sharing in one of the most fundamental material advantages of our age. With the extension of power lines, there will come inevitably a demand for improved housing, for household conveniences, for labor-saving farm equipment. These demands will bring about greater industrialization -- more jobs -- new opportunities. And all of this will become important in increasing farming efficiency -- in improving education -- in increasing medical and dental and hospital facilities.

Progress along any line of agricultural endeavor will tend to bring about progress along the whole front.

Thus, greater mechanization and electrification will make for a more diversified production.

Alabama has already become extremely cattle-conscious. I understand that the Montgomery Chamber of Commerce contends that the land in that county carries proportionately more cattle year round than any other in the United States.

What factors brought about this amazing change from cotton to livestock?

Many forces were involved. But one factor of which I am very conscious -- and I know that you are also -- is the application of superphosphate. Superphosphate stepped up beef production tremendously. It became good business to apply it. It brought a return in beef many times the cost of the fertilizer.

And some land that used to be worth $15 to $20 an acre in the old cotton days zoomed to $150 an acre under grass.

I have heard reports of Great Plains ranchers moving their herds to Alabama. One particular rancher I know of was well established in Western Montana. He was in his sixties -- but he felt young enough to take his herd of Herefords and set them up here in Alabama.

There are now some 13 million cattle in the South -- exclusive of Texas and Oklahoma. In 1947 the South produced 1,700 million gllons of milk. There were in

that same year eleven and one-half million hogs and close to two million sheep on Southern farms. More than 90 million chickens produced nearly two-thirds of a billion dozen eggs. Some two-fifths of the South's farm income now comes from livestock and dairying.

Those are impressive figures. Yet when we compare them to the national production we see how much room there still is for expansion of livestock grasslands farming in the South.

Eleven Southern States include nearly two-fifths of all the farms and more than one-fifth of all the people in the Nation. Yet they have only one-sixth of the Nation's cows and calves. They have one-fifth of the Nation's hogs and chickens, and one-twentieth of the sheep and lambs. They produced last year one-seventh of the Nation's eggs.

Obviously, the South is not self-sufficient in its production of meat, milk, and eggs. The South needs far more of these foods if all of its people are to have diets adequate for health and efficiency.

I am sure all of us realize that the full development of livestock and dairy farming in the South is impeded by certain climatic conditions. Heat and humidity reduce both milk production and beef output. But such obstacles are no more insurmountable than other difficulties which often have obstructed agricultural endeavors. Research can do much to overcome them -- research at the State colleges as well as in the Department's laboratories.

And indeed research is tackling this problem. About two years ago, four head of cattle were brought from India to the Department's experiment station just outside Washington. The idea was to cross-breed these animals with American cattle. It would mean a great deal to the South if the resistance to heat, drought and pests that the Indian animals possess could be combined with the qualities of our own cattle. Some of this work has since been carried on in the South.

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Much the same type of work is underway in beef cattle, hogs, and sheep. The Department's Bureau of Animal Industry has had some success in cross-breeding swine to increase yields of the better cuts -- for example, ham, loin, bacon, and picnic shoulder. Other work that is going on with inbred strains of swine shows promise in the production of hogs for market.

The progress that has been, and is being made, is not allowed to lie dormant.

We have been endeavoring with considerable success to bring about wider distribution of grade and purebred animals. Every year thousands of farmers in the South buy grade and purebred sires and dairy cows.

That's partly what I mean when I say you are traveling down the right road.

Research in varieties of grains and grasses, best adapted to the South also continues to go forward. And I want to mention that here again excellent work has been done in the State colleges throughout the South.

This research could well be the subject of several complete talks. Here I can only skim the surface. But it is evident that if the South is to become an outstanding livestock region -- a region of permanent grasslands agriculture -- the area must grow more of its own forage. The South is now an importer of hay. At the same time the area contains more than 10 million acres of idle land, some of which could well be used for pasture and hay.

If research can continue to provide larger corn yields through adapted hybrid varieties, the South will be able to grow more grain on fewer acres. Some of the land thus released can be shifted to forage -- and the results will be better for the whole Nation.

Here in Alabama, you are using the new corn production techniques as rapidly as hybrid varieties and nitrogen supplies become available. The results are readily apparent in your increased yields.

(more) USDA 2534-48-9

In recent years, you have made many advances in the application of new type grasses. Dixie crimson clover is showing good results on Alabama farms. Costal Bermuda is being used as hay and pasture. Climax lespedeza is proving to be a superior pasture plant. Willamette vetch and other improved varieties are becoming increasingly valuable as winter cover and green manure crops.

Altefescu, big-trefoil, and sweet lupines are all being tested and show good prospects.

But though the advances and the experiments which I have mentioned indicate the many fronts upon which research has been moving forward, I would be less than honest if I did not admit that the unfinished task is of tremendous proportions.

Research has advanced to such a stage that it can now provide sufficient knowledge for the building of fairly satisfactory pasturage in the South. Nevertheless, there remains an urgent need for additional plants -- or plants with additional qualities to fill some big gaps.

A warm-weather grass is needed to replace carpet grass. In other words, a plant is needed that will grow well with legumes, but will not crowd them out as carpet grass does.

Where alfalfa doesn't grow so well, we need a good perennial hay legume.

Another primary need of the South is disease resistance in plants.

For a good example of disease as a limiting factor, take oats. Disease and winter-killing were primary factors in hindering the expansion of fall-sown oat production in the South. But new varieties, resistant to crown rust and smut, and new winter-hardy varieties, are now making winter oats one of the most satisfactory crops for the entire South.

Besides new plant varieties, Southern farmers would profit immensely by more exact information on fertilizing the soil. We need to know more about lime -- what level is most desirable in different soils -- how to maintain the proper lime

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level -- when and how to apply liming materials for particular soils and plants. We need to know more about phosphorus and how to apply it for best results in the South. We need to know about plant requirements for potash and the extent to which native potash supplies in various soils may be drawn upon.

Nor do our requirements stop with the field. We need better ways to make hay. The high humidity and frequent rains of the South often cause heavy losses. Barn drying eventually may be the answer; but here again, we need a great deal of additional work before the problem may be regarded as solved.

In conservation, the job ahead looms equally large. There is need for more terracing, permanent cover crops, seeding of pasture, and application of lime and phosphate. The job of preparing conservation farm plans has been done for only about one-seventh of Alabama farms -- and this is typical of the South. On many acres, present uses should be discontinued. And as I mentioned before, much land that is now idle should be converted to a proper use. It has been estimated that the total of Alabama land employed for crops, including tilled acres and perennials, could be increased by about one-fourth. Some idle acres could be cultivated. Some wooded land, suitable for cultivation, could well be cleared. Other acres that are now cultivated, and some that are idle, are best adapted for timber production.

To do this task of converting your land to its best-adapted purposes, the combined efforts of farmers, farm organizations, and Government will be needed. Conservation can only be done, finally, in the fields. It can't be done in Washington -- or in your State agencies -- or by farm organizations. It can only be done by you -- working through your associations, districts, and committees.

If all of us get together -- all who are interested in the land -- and in abundance for ourselves and our posterity -- this job can and will be accomplished.

The results will be greater security on farms -- more prosperity in country and city -- and better health for the whole South.

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For as you diversify your production -- as you increase your acreages of vegetables -- as you go in for more poultry -- as you enlarge and improve your pastures -- as you acquire higher grade beef and dairy cattle -- your income will grow. You will sell milk to dairies, creameries, and cheese factories. You will sell eggs and truck crops.

Let me say again, my emphasis upon diversification in this talk does not mean that I am forgetting the place of cotton. The experience of recent years, however, has proved the wisdom of growing cotton only on those acres best adapted to cotton production. As agricultural efficiency has increased, cotton yields have mounted, so that today the South can produce all the cotton the market will take, on far fewer acres than in the 1920's.

In many ways, the outlook for American cotton is quite good. Farmers have accepted the principle of balancing production against needs. Government has been striving to keep open, and wherever possible to expand world cotton markets.

You are well aware, I know, of our wartime efforts to keep international markets open through lend-lease. You know of the Department's aggressive leadership in restoring European and Japanese markets for cotton since the war ended. You understand that through the European Recovery Program we hope to restore the healthy, free-flowing world trade that is needed if American cotton is to find adequate foreign markets. You know about the 150 million dollar revolving fund to provide working capital for Japanese, Korean, and German purchases of cotton and other fibers from the United States.

Through the Research and Marketing Act of 1946, we hope to expand greatly the program of research and marketing services for American cotton. Many projects are already underway. We are endeavoring to learn how to make more effective and complete use of the many superior qualities inherent in cotton fiber. We want to develop new and improved cotton products, and new chemical and mechanical methods

of processing. We want to determine the usefulness to consumers of different types of fabric construction. We are studying foreign demand for cotton. Commodity specialists are abroad, seeking the best means of stimulating demand for American cotton and other products. We are doing a good deal of research on mechanization.

No, we are not forgetting cotton. The South will continue to produce all the cotton for which there is a market. But we must recognize that the way to larger income, more security, and industrial expansion, is through diversification. This will provide opportunity for more livestock processing and packing plants, for milk plants, for flour and feed mills, for bakeries, for frozen food establishments, and many other industries. These in turn will provide jobs for those who seek part-time, off-farm employment. It is only through such industrial expansion that the South can hope to attain that balance between farm and city that is the key to regional prosperity.

To you farmers of northeastern Alabama, Georgia, and Tennessee, I say: "Turn your eyes Southward. Look at the once white Black Lands. Notice that the color now is green. The go-ahead signal. The signal for continued progress toward a grasslands agriculture."

Progress does not come swiftly. It will not come easily. But when we examine the natural advantages of the South -- its rainfall -- its sunshine -- its long growing season -- its ample labor supply -- its need for more meat, milk, eggs, and fresh vegetables -- it seems very evident that a better balanced agriculture is on the way.

With it will come "better living" -- the era of <u>good</u> living -- which men have always desired.

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USDA 2534-48-13

Dec. 14, 1948

UNITED STATES DEPARTMENT OF AGRICULTURE
Office of the Secretary

LEARNING TO LIVE WITH OUR ABUNDANCE

Talk by Secretary of Agriculture Charles F. Brannan before the annual meeting of the Farmers Union Grain Terminal Association, St. Paul, Minnesota, December 14, 1948, 8:00 p.m., CST. (Broadcast).

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I sincerely welcome this opportunity to speak to the delegates and the directors of the Farmers Union Grain Terminal Association and to the many friends of the Association who have a part in this meeting with the help of the radio.

As you know, one of my principal interests is the agricultural cooperative. Your organization has a reputation of being a rugged and effective representative of the best interests of farmers. This opinion seems to prevail all through the States in this area which produce the grain you market through your terminals.

It's a good reputation to have. It's still true that nothing succeeds like success, and your success has given the cooperative movement a big boost. Farmer-owned and farmer-directed organizations ought to stand up on their own feet and fight for farmers--first, last, and all the time. We can have a strong free enterprise system. We can have continuing prosperity. We can have real democracy. And I know you folks are going to keep fighting for these ideals.

We're going to need that kind of crusading spirit because we're in for a hard struggle in the years ahead. It isn't just a case of a little misunderstanding such as some grain dealers had about your right to trade in the grain market. I believe you clarified that misunderstanding and you are still trading in on that exchange.

The struggle that lies ahead will be much different. It is much broader than any grain marketing problem, but you men who represent farmers in the grain business will have an important part in meeting this broad problem.

Living with our abundance is the struggle now facing us.

Let me give you just a few of the facts that underscore the necessity of following a definite policy of managed abundance.

First, we should note carefully that our farm production is running about a third higher than before the war. The spurt that brought us to this level represents a revolution in farming.

The revolution took place on the farm when farmers modernized their production methods in a sudden burst of energy released by the associated patriotic and economic incentives of wartime. Farm machinery and machine power--new varieties of seed and hybrid seed--doubled and tripled quantities of fertilizer and lime--improved bug-killers and weed killers--better conservation practices--these are some of the innovations that farmers adopted wholesale when they were given the opportunity to modernize their production. This spectacular surge in farm technology is a visible sign that farmers are still pioneers.

Wheat farming offers a good illustration of what is happening within agriculture. Tractors and machine power are more completely used in growing, harvesting, and marketing wheat than for any other important crop in America. The mechanization of wheat ranges through your entire operations of plowing and seeding, combining and binning, and, finally, trucking the crop to the elevator. The wheat farmers of the West were well ahead, even before the war, in the general use of tractors, but improvements in combining are still giving them the benefits of savings in labor.

The emancipation of hand labor in wheat production is a notable record of progress that began a century ago. In 1800, in pre-machine farming, around 370 hours of labor were required to grow and harvest a hundred bushels of wheat. It was largely hand labor, especially at harvest. By 1840, the number of hours had dropped to around 230; by 1880, when the West was coming into wheat production, it was slightly more than 150; by 1900, it had gone down almost to 100. From 1900 to 1920, the progress came at a somewhat more moderate rate as the hours receded to less than 90. But the influence of the tractor came to the fore in the next twenty years. By 1940, the man-hours needed to produce a hundred bushels had been reduced another 50 percent.

Mechanization has been the outstanding development in wheat farming, but improved varieties and soil and water conservation have helped to raise the average yield. Experts believe we can expect an additional increase of about two bushels to the acre above the long-time prewar average, and the experimental use of the new weed killer 2,4-D indicates it might help to lift the yield even higher.

Expert opinion and common sense tell us the revolution in farming is irreversible. The likelihood is that we will see even greater productivity in the future. These changes are in the making now, especially in the South where mechanization is also moving forward in cotton production.

Now mechanization not only tends to increase production but to make increased production an economic necessity. Tractors in the fields and milking machines and other powered equipment in the barns and out-buildings add up to large investments and increased overhead costs.

Smaller production on farms that are highly mechanized would mean that the larger overhead costs would have to be carried by fewer bushels or fewer pounds of products. In agriculture, cost per unit of production usually rises as production decreases, and mechanization has given added force to the impact of these overhead costs. It is no wonder that it is second nature to farmers to produce abundantly. They do so in an effort to make full economic use of their resources. This in turn helps assure consumers a plentiful supply of food at a reasonable cost.

These factors in combination with a devotion to hard work, common to most farmers, have given us a chain of record and near-record crops since the early years of the Second World War. This year, the farm people of America harvested the greatest total volume of farm crops ever produced in the history of our country.

We have been most fortunate in having the bounty of our farms in these recent years. Our population is continuing to grow. In the past twenty years, our numbers have grown by 25 million--an increase of 20 percent. Various estimates of our future population are open to your choice or mine, depending largely on the

optimism we feel about prosperity, full employment, and high industrial activity. You can take your pick. But we are reasonably sure that our population will rise by 1975 to at least 162 million. It could go as high as 185 million men, women, and children.

But the net population increase fails to tell the whole story. Our per capita consumption is on the rise as the obvious result of high wages and full employment. Of course, we should note carefully that some of the gain may reflect the absence of other goods from the market place. Nevertheless, our consumption per person has been ten to fifteen percent larger in the last three years than in the 1920's.

The greater farm production also has enabled us to deliver food to Europe to ease hunger and distress, to speed industrial recovery, and to help free nations preserve their liberty. The wheat farmers of the West deserve credit for the fact that virtually half the bread grain that moved in world trade in the year that ended last July was United States wheat. Never before in history has any one nation in any one year supplied so much.

We have needed the food our farmers have produced. We will continue to need it. We may need less of some items and more of others, but we will need the full production of our farms. The question is whether our people will be able to buy and use what we need.

Can we continue to find markets for all we produce? What is required to maintain a balanced high-level food production that is equally desirable for producers and consumers? Are adjustments needed? If so, should they be adjustments in production or adjustments in consumption or both?

These are a few of the questions farmers the country over have been asking themselves. Some are asking the questions in a different form: When do we pull back? When will farming again become the unprofitable enterprise it was for so many years between the wars? When will the farm depression hit us? These are hard ques-

tions. But they are based on experience--the experience that farmers had in the 'twenties and the 'thirties.

One of the major lessons of that experience is that we must have a strong price support program backed up with crop storage and production adjustment measures. That is one thing we have learned about living with abundance.

I want to tell you frankly how I feel about this. My thinking goes about like this: I am not one of those who think the economy should be or necessarily will be adjusted downward. We need and can have an expanding economy. But if the constriction or downward adjustment comes, we are not this time going to start the process with the farmer.

As a matter of fact, I believe the nature of our economy is such that farm and urban prosperity are closely interrelated. If the constricting process does not start with the farmer, it may not get started at all. Stable farm prices and stable farm income at fair levels will go a long way toward stabilizing the whole economy.

Now, that's a bit of thinking that is going to be my guide in working with the Congress, with farm groups, and in my contacts with labor and business groups. I hope I can count on you to back me up in this. And I know that if you think this is right, you'll let it be known.

Now, here's something that goes right along with that principle I'm talking about.

Ten years of valuable experience have demonstrated that a good grain storage program is essential to the sound operation of price supports. Unfortunately, we did not have an Ever-Normal Granary to offset the effect of the drought in 1934 and 1936. Right now farmers are unable to meet the demand for meat largely because last year we had a relatively short corn crop. Of course, the great demands upon our grain in recent years have not permitted us to build up an adequate reserve. But this merely underlines the importance of creating the reserves when the opportunity presents itself.

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This year's corn crop is by far the largest on record, and it was accompanied by large crops of wheat and other grains. This out-size production came simultaneously with a short-sighted legislative amendment which prevents the Commodity Credit Corporation from expanding or even maintaining its storage facilities. I am sure that we can count on the Congress to remove this limitation from the CCC charter.

Our ideas about the proper size of our grain reserves are changing, along with the many other changes that have taken place in agriculture. Years ago we thought a corn carryover of 150 to 200 million bushels was about normal. Four to five hundred million bushels would have looked enormous. But recent events have forced us to lift our sights. We are consuming more food now than formerly--living on a different scale--anxious to consume more meat and milk.

If we are to be sure that we shall have an abundance of meat and milk, we must maintain larger reserves of grain than we considered adequate a decade ago. This may mean that the Government will become a more important factor in the grain sotrage business as a partner in the job of maintaining and managing abundance. However, some farm leaders are talking about using cooperative facilities to a greater extent in providing the necessary facilities for good, convenient storage. I also want to emphasize that larger reserves in the Ever-Normal Granary in the past have not hindered commercial interests in making fair profits. In fact, protection against crop failure helps to assure a continuing heavy flow of grain marketing.

In building adequate reserves, we should take the precaution to establish more grain storage capacity on and near the farms. Right now, available farm storage is stretched to the very limit, and it is still short of our needs.

Both consumers and producers will benefit from adequate grain storage. The producer is in a position to plan livestock enterprises with the assurance of a more plentiful supply of grain. The consumer gains simply because a price support program founded upon adequate storage is the best possible protection against run-

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away prices. It assures the release of grain for human consumption as well as a more even flow of milk and dairy products than would otherwise be possible.

In discussing price supports and storage, I have indicated another major principle that I think is a good guide to action. But let me state the principle more directly. In business, there's a saying that "the customer is always right." As a customer yourself, you are aware of the many advertisements that are designed to cultivate your approval. You are aware that many business concerns are conscientious in trying to meet your needs. For example, they improve farm equipment and adapt it to the particular jobs you have to do. They improve quality and stand behind their merchandise. They put out instructions and service to make you a satisfied customer. Not all firms do these things, but many do.

Now, it seems to me that the farmer must be at least as interested in his customers as the best business firms are interested in their customers. If we expect to market abundant production at fair prices, agriculture has an obligation to improve the products wherever possible, to market the products efficiently and in attractive form, and to produce the amounts and kinds of merchandise that the customers of agriculture want. We certainly must do our level best to prevent waste. We need to go a step farther, it seems to me, and concern ourselves with the economic welfare of our customers. I don't need to tell farmers in this area that they have some very good friends among labor groups that represent a great many customers. Various groups have taken an intelligent and constructive interest in the welfare of farmers--partly as a matter of justice and partly because farmers, too, are good customers. Just as one example, some labor groups joined the fight on our side recently when some people were spreading misrepresentations about price supports as a factor in the cost of living. By making sure that we ourselves are fair-minded about the other fellow's problems, we can help to reduce short-sighted strife among groups and increase cooperation throughout the economy. We can have cooperation and a square deal for agriculture if we will help our customers get a square deal.

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And so I say that, as I see it, one of our policy guides in agriculture should be the welfare of our customers.

When I began, I mentioned a few important facts about the increasingly abundant production of agriculture.

Economists who are expert in analyzing the production factors tell me that if we are to live with our abundant production we must export at least as much as in the 1920's and, after allowing for increasing population in this country, each person in the United States must consume at least 10 percent more than in the 1920's. That is very conservative. That allows for increases in farm output only to the extent of keeping up with population increases, and I believe it assumes that we cannot regularly count on weather as good as we've had in the last several years. Some of our scientists believe we could increase our output very greatly. For example, the chief of the Bureau of Plant Industry, Soils and Agricultural Engineering recently estimated that we could have produced our 3-1/2 billion bushels of corn this year on one-third fewer acres, just by using the technology now available and proved. He believes that is a conservative estimate.

My understanding is that these estimates are based partly on the assumption that we will actually--as we must--strengthen and expand our efforts to conserve our natural resources. Erosion and depletion must be combated vigorously. But assuming we will strengthen conservation means that we must assume that high-level production will continue.

What does the prospect for abundant production mean to us?

At home, we must do everything in our power to maintain full employment of our people at good wages. And we must hedge against unemployment. We must buttress and support a high consumption level with specific programs. We can't sit back and wait for lay-offs in Detroit, St. Paul, and Birmingham to force us into an emergency.

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We should expand the National School Lunch Program until it is available to every child in the Nation.

We should develop food distribution programs that will take up the slack in markets brought about by unemployment and help assure adequate nutritious diets for low-income families. A good start has already been made toward developing this type of program, and we should follow up without delay so as to be ready when a real need arises.

We should also develop marketing aids that the food distribution industries can use to keep plentiful foods in high consumer preference.

We need more marketing research and more consumer assistance in the form of helpful information on human nutrition. There is an entire field of action here in which we have only scratched the surface. In effect, we could here undertake to develop the adjustments in consumption that the well-being of our farmers and the welfare of our consumers require.

We must also increase the industrial use of our farm products. Here we have been pushing our research as vigorously as appropriated funds would permit, but even more must be done to find useful, practical markets in industry.

If we are to export the necessary volume of farm products, we must continue to concern ourselves with world recovery and help it along. As another important step we must try again to negotiate an international wheat agreement acceptable to the wheat-buying and wheat-selling nations of the world. It is extremely unfortunate that Congress failed to ratify the agreement that was finally negotiated earlier this year after so many years of effort. We must now start over again. I want to recall to your minds the pledge that President Truman made. He said, "I regret that the International Wheat Agreement was not ratified, but I pledge that if another one can be negotiated, I will send it to Congress for approval."

It gives me a great pleasure to say that steps are underway for a new meeting of the international group that drew up the previous agreement. Nor is it

necessary to limit such agreements to wheat. The United Nations Food and Agriculture Organization is going ahead with plans to study possible world agreements on other commodities. Rice, sugar, and fats and oils are examples.

We must also push ahead vigorously with our Reciprocal Trade Agreements Program and work out with other countries every possible way to make goods flow smoothly among all nations.

While we attempt to maintain and enlarge our markets, we must also try to keep the pattern of our production adjusted to market requirements. We do not have to look to the future for an example of production outrunning our capacity to consume. We have been having a painful experience with potatoes. We also have potential problems with other perishables and with some of the storable commodities. Much depends upon our foreign markets, our storage programs, our domestic purchasing power, and our ability to shift to the production of commodities we need.

Fortunately, the production shifts that appear to be necessary for economic reasons will take us in the direction of better land management and soil conservation. People want more livestock products. As a nation we need more livestock products for good nutrition. Much of the land where we grow crops that threaten to become surplus could be improved by growing grass and legumes that are needed for livestock production. And so it seems plain that there is a direct connection between consumer purchasing power and the best management of our land resources.

This illustrates an important fact about agricultural problems. They cannot be considered as separate from other problems in our economy. All segments of our economy are closely interrelated.

There is danger to everyone in the fact that farm prices ordinarily fluctuate much more widely than other prices while farm production holds remarkably stable. When farm prices go down and costs of production stay up, farm depression strikes. You wear out your farm, yourself, and your family in a losing struggle to provide what is only the poorest in food, clothing, and shelter.

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And you are not long alone in your misery. Skidding farm prices sharply reduce farm purchasing power with inevitable injury to industry and labor. The usual result has been a general acceleration in the whole Nation's slide downward into depression.

That brings me to the last thought I want to leave with you. If we are going to live with the abundance that the farmer produces, we must not forget for a moment that the American farmer represents an integral part in our entire national economy and a great force in the world economy.

That is one fundamental that must help to guide our national policy.

I shall fight with all my strength any notion that the farmer must lead the way to a lower scale of purchasing power or a lower scale of living. Parity is more than an objective--more than a nice ideal--more than a matter of justice. It is an economic imperative. Parity is essential to the general welfare.

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USDA 2602-48-11

Dec. 15, 1948

UNITED STATES DEPARTMENT OF AGRICULTURE
Office of the Secretary

WHAT KIND OF PRESSURE

Talk by Secretary of Agriculture Charles F. Brannan at convention of American Farm Bureau Federation, Atlantic City, New Jersey, December 15, 1948, 7:30 p.m., EST

(For Release December 15, at 7:30 p.m., (E.S.T.)

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The first meeting of a farm organization after a significant election is always extremely important, and I am very happy to have an opportunity to take part in this one with you.

During this meeting, I assume you will determine what kind of pressure you will exert on national affairs in the next year. And this will probably set the pattern for succeeding years.

Perhaps I should apologize for using the word "pressure." I realize that "pressure" and "influence" are sometimes used in a derogatory sense. However, that is no reason to put them out of our language. Responsible organizations and individuals are expected to press for policies in which they believe. They are expected to use their influence on behalf of their principles. If they didn't, they would not be doing their jobs.

So, let us look frankly at the question of how you will use your responsibility, your opportunities, and your strength — what kind of pressure you will exert.

All of us in agriculture have new and heavy obligations for sound, restrained, and responsible action. The election returns and the analyses of them are heady stuff. (You know, it's often said — and truly said — that it takes a better man to stand prosperity than to stand adversity.) There will be those who can't take political prosperity. There will be opportunists who will read into the returns whatever suits their purpose. And, of course, there are those who would like to veto the whole election.

There is need for a sense of proportion. And the farm organizations can help to maintain it. I assume that you, as an organization, feel neither victorious nor vanquished. To the extent that you choose to do so, you are free to press for policies that will carry out the will of the people as expressed in the election.

I respectfully suggest that any organization participating in national affairs has an obligation to read and understand the election returns. In fact, no such organization that expects to maintain its influence can afford to pretend that nothing happened, nothing changed.

Some people have been surprised at the farm vote and let it go at that. But there is more to it. There is a new unity among farm people, and it is based upon deep conviction. Anyone familiar with the national and regional traditions of rural America knows that election results of the kind we have just seen do not happen accidentally.

What were the issues on which farm people registered such unified conviction?

All of us tend to interpret events according to our own predilections, and I don't wish to force my own upon you. Nor will I attempt to give a complete analysis. Very briefly, it seems to me that two of the important underlying issues were fear of depression and fear of unfair treatment. Farm people, wherever they live, have reason for those two fears.

Farmers in the Corn Belt feel that adequate corn storage on and near the farms is essential. They were deeply disturbed by the restriction of Commodity Credit Corporation storage authority.

Farmers in the Wheat Belt feel that foreign markets are essential and could not see any good reason for rejection of the International Wheat Agreement.

Farmers everywhere have felt the need for very specific reassurance on future price supports at levels which would help the farmer get fair returns and protect the national economy against a farm-fed depression.

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Farmers everywhere believe firmly in soil conservation, cooperatives, and rural electrification, and in these matters the record of the 80th Congress as a whole was not to their liking.

I also think that long-time party history had a good deal to do with the decisions made by farm voters.

Those are some of the observations that must guide me as a public official. To the extent that you agree with them, I hope they will serve as a guide to you as an organization influential in public affairs.

However, you and I both realize that additional factors have to be taken into consideration. For example, we are now aware that net farm income has turned downward. Prices paid by farmers are staying high and some have continued to rise in recent months. On the other hand, the prices of many farm products have gone down sharply.

We have no time to lose in completing and strengthening the farm program.

This is a matter not only of protecting farmers but of strengthening the whole economy. And that is an important consideration to keep in mind.

Still another is the fact that farm people have some positive as well as negative ideas about the kind of a program they want. We must remember that election issues focused on only a few questions. There is much more to the building of a farm program than merely attending to the sharp issues. Farm people themselves not only want something to allay their fears but a positive program that will help the whole people achieve a better living and a more stable economy.

Discounting my own partisanship and trying to be as objective as possible, I still want to say to you that we can hope to build a better program than we could hope to build last year. It is unfortunate that we did not make faster progress in the last two years, but we did at least clarify our thinking, find large areas of agreement, and get started on legislation.

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Today, I believe, we have the opportunity to go ahead and build the wisest, strongest, soundest, best farm program that any country has ever had.

Events are moving rapidly, and some of my own ideas are still in a formative stage. Furthermore, I am very well aware that the Secretary of Agriculture is only one of the voices of American agriculture.

However, I want to lay the cards on the table and tell you frankly what I am thinking as a basis for action.

My first guidepost is this: I consider it my job to help obtain and maintain parity at all times. If there is to be any downward adjustment of the national economy, we are not going to start this time with the farmer. Of course, I don't concede that the economy should or will be constricted. But if it is, we must make very sure that the farmer is not made the goat, as happens so easily. As we all know, farm prices tend to swing widely up and down while production holds firm or rises. In contrast, nonfarm prices tend to hold firm while production swings from high to low and back. These tendencies make it necessary for us to take special precautions to protect farm returns in general. We also need to recognize that for particular commodities the margin between abundant production and surplus production is often narrow and easy to cross over. So, we need to take precautions against penalizing producers for furnishing the abundance that our people must have. In other words, I am concerned about over-all long-term balance in the economy and also in the year-to-year problems of individual commodities.

Now, on the basis of this number one guide in my thinking, I want to say to you that I consider the price support program fundamentally important. It has a bearing on the future of the whole economy, for we know it's mighty hard to have a general depression if agriculture is in good shape financially. It has a bearing on the conservation of our soil, for as we know from experience poverty-stricken farmers can't take good care of their land. Decent prices are the basis for a

decent and improving standard of living. Very briefly, those are reasons why I attach great significance to our price support legislation.

I say to you frankly that I think we ought to take a new look at the present legislation. I want to hear a lot of discussion pro and con. I have not regarded the present act as really "firm" legislation. Its history, including the debate in the House of Representatives in the wee small hours of the morning when the bill was rammed through, indicates that many members of the Congress then planned to study and change the bill after its passage. Those members represented both parties and were motivated in various ways. The history shows that adoption of the bill was a political expedient. That, in itself, is not a judgment on the provisions of the act, but it is a reason for reexamining the legislation very closely. The fact that net farm income this year has moved downward for the first time in a decade is another good reason for reexamining our legislation.

Personally, I think we can expect to do better. The Department is now in the process of attempting to put that belief into more specific terms, and I hope that you will do likewise.

The position to be taken by the American Farm Bureau Federation will be of great interest not only to me but also, I am sure, to millions of people. Each farm organization has an important part to play in the work that lies ahead.

I have, of course, asked for the opinions and advice of the farmer-committeemen in every part of the country, and as usual the Department welcomes the individual opinions that come in by mail and those that are delivered across the desk.

In view of the need to keep the pattern of production adapted to market requirements and soil conservation, is the price support legislation tied closely enough to the production adjustment mechanism and conservation programs? Are support levels sufficiently conditioned upon efforts by farmers to make shifts in production? Do the conditional levels make too much distinction between basic and

nonbasic commodities? When and to what extent should supports be mandatory? When and to what extent discretionary?

These are a few of the questions on which I would like to have your opinion and on which I am sure the farm people of the Nation would like the judgment of this organization.

In my own opinion, we need not regard price supports merely as protection against weakness in our economy but as a positive force to bring about stability. While we are examining our program, I believe we should very definitely seek ways of stabilizing high-level production of commodities we need in greater quantities. One of the big problems in agriculture is the need to make long-range plans, and this is particularly true of livestock production. It so happens that these products that call for long-range production planning are major items that we need in greater amounts for the better nutrition of our people. It also happens that greater emphasis on grass and livestock production is a necessary part of better land management leading to soil conservation. Livestock production for a larger market would also mean a larger market for grains that might otherwise be in surplus.

Perhaps we have not yet realized the possibilities of using price supports in positive ways that will help bring about long-term stability and help to avoid some of the emergencies in which supports must be used to stop price declines.

One of the obvious matters demanding attention as we improve our price support program is the authority of Commodity Credit Corporation to maintain adequate storage facilities. To have a successful price support program at all, the Department must have the storage authority of which it was deprived in the new charter. Connected with this matter is the question of what should be considered safe and proper carryovers of various commodities. Many farmers now believe we can safely go higher than we anticipated a few years ago, especially if we really

plan to encourage livestock production. This question of safe or desirable carry-over is closely related to the question of conditional support levels for the various commodities.

This leads to one of the main things I want to say to you about price supports. As one who believes in the fundamental importance of price supports, I also believe we must keep the price support problems in perspective. Price supports are basic to the whole farm program, but they do represent only one part of the farm program we need. The other parts are also extremely important, and to the extent that some of the other parts succeed, the problem of supporting prices is lessened. If we can have fair prices in the market place without actually using the support mechanism, so much the better. That's what we want.

We must concern ourselves not only with prices but with markets. Not only with income but with our natural resources. Not only with abundance but with farm living standards.

Let us see the whole picture.

On the marketing side, let's not be satisfied with whatever conditions we may get from chance and the business cycle. Let us get started on an experimental program to improve the diets of low-income families and enact stand-by authority for larger programs. Let us be ready to fill in the gullies of demand, just as we are ready to climb the peaks. Let us have an international wheat agreement as soon as it is possible to renegotiate one that is satisfactory. Perhaps we can encourage and stabilize world trade in other commodities by means of agreements. Reciprocal trade agreements and the European Recovery Program are also essential to the future of world trade in which we can show.

Let us push forward our scientific research and services to make the marketing and distribution system more efficient. Let us see how many ways we can find to improve the process of getting farm products from producer to consumer. We

should be at least as sensitive to the needs and views of our customers as are the business firms and groups that spend millions of advertising dollars to cultivate the consumer. Many labor organizations and other nonfarm groups have taken the trouble to study and understand farm problems. As they have done so, they have become more cooperative. They know that farmers are important customers and an integral part of the economy. When farm price supports were unfairly accused of holding up the cost of living, some of these groups spoke up on the farmer's side of the case. We can be equally open-minded and cooperative. I would like to spend more time on this subject. I consider it to be of first-rank importance. But for now, I am merely listing matters that need attention as we round out our farm program.

In the field of conservation, we still have a tremendous job to do. We need to broaden both our concept and our program of conservation. We should strengthen and expand our soil conservation program with the aim of encouraging not merely individual conservation practices but efficient systems of farming profitably on a permanently sustained basis. We must pay more attention to the forest problems that seriously endanger the future of our timber supplies. We need legislation to provide long-term credit for forest production and restoration and minimum standards for cutting timber. We need promptly to work out comprehensive, multiple-purpose, unified programs in the great river basins or other regions providing for flood control, irrigation, and power generation. We must see to it that our programs of conservation and development on private and public lands and on the streams all fit together workably and sensibly.

The third main field in which we need to round out our program is that of farm family living. In the final analysis, it is the family living that we are concerned about in all our efforts to improve the welfare of agriculture.

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Unfortunately, most farm people do not yet have parity with city people in many aspects of family living. Furthermore, parity of prices and income will not promptly and automatically make possible a parity of family living. We have seen from experience that electric power service and telephone service are slow to reach the farm, that people who live away from population centers have difficulties in getting adequate schools and hospitals. The 1945 census showed that less than a third of the homes of farm operators had running water and telephones, somewhat less than two-thirds had automobiles, less than three-fourths had radios. Those figures do not cover the homes of people who make up the farm labor force, and they are a part of agriculture too.

The people who are deprived of so many of the necessities for modern living are not concerned entirely with the level of price support or the problems of soil conservation.

The problems of agriculture are all closely interrelated, and problems of farm family living are matters which concern all individuals and organizations interested in the welfare of agriculture.

We must extend electric service as quickly as possible to the 30 percent of the farms that are still doing without. In order to do this, we must provide for needed increases in power production, transmission, and distribution capacity. One requirement is the public development of transmission systems to wholesale power from the publicly-owned dams and maintain "postage stamp" type of rates -- rates that are low and uniform.

This will help us meet another need -- industrialization of underdeveloped areas. Mechanization is making our agriculture more efficient and displacing workers. They must have jobs. Moreover, the farmers in many areas need markets closer home. Agriculture has a big stake in the industrialization of rural areas, and I hope the Federal Government will encourage this.

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Rural people very badly need more and better telephone service. We need to extend our Federal lending activities and otherwise help farmers obtain adequate telephone service.

If Congress enacts general legislation dealing with the national problems of housing, education, health, and social security, we need to make sure that this legislation includes provisions adapted to the special problems of rural people.

We need to make sure now and at all times that farmers have access to all the credit they need at reasonable rates of interest. I am thinking more than just about farm mortgage and production credit. For example, I personally think that both farm organizations and governmental agencies can help rural people to better understand the advantages and effective use of cooperatives. If more people were informed in the principles of cooperation and the techniques of cooperative enterprise, farm living could be improved considerably. And cooperative purchase and use of expensive items of farm equipment would step up the efficiency of many farms where individual purchasing is out of the question. Further, farm cooperatives as we know them are a part of the private enterprise system. Farmers working cooperatively can help themselves and often avoid resorting to government aid.

Those on the land who are insecure and deprived of the necessities for modern living represent a challenge to democracy. I am sure that democracy can and must provide opportunities. It is up to you and me to help see that this happens.

I could spend more time on the job of completing and rounding out the farm program.

However, I must complete and round out this talk.

In talking about the farm program, even among the well informed, we do well to remind ourselves that we are deeply concerned with affairs outside the field of agriculture. We cannot afford to concentrate all of our attention on a farm program any more than we can afford to pretend that price support or conservation is a whole farm program.

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Among all our citizens nobody faces greater danger from inflation than does the farmer. Nobody has a greater stake in a successful effort to curb inflation.

Unemployment likewise is a great danger to the farmer. His interests require that we maintain full employment.

The people in agriculture share with all citizens the danger of war and the responsibility for helping in all possible ways to build the peace.

All of these considerations seem to me to offer food for thought to a responsible farm organization as it determines how to use its influence in the days ahead.

As for myself, I am not ready to duck for cover. There is no reason to trim the sails and batten the hatches. If we have the courage for bold and decisive action, we can broaden the base of our prosperity and build it to new heights. We can build a farm program that will reinforce the structure of growing prosperity. Let's get on with the job.

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